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DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1985

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

SECOND SESSION

ON

H.R. 6028/S. 2836

AN ACT MAKING APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES, FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1985, AND FOR OTHER PURPOSES

Part 4—(Pages 1-906)

Nondepartmental Witnesses

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DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1985

WEDNESDAY, APRIL 25, 1984

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 9:00 a.m., in room SD–116, Dirksen Senate Office Building, Hon. Lowell P. Weicker, Jr. (chairman) presiding.

Present: Senators Weicker and Inouye.

NONDEPARTMENTAL WITNESSES

OPENING REMARKS

Senator WEICKER. The hearing will come to order.

Today we'll be hearing from public witnesses on the Eye Institute, the National Institute For Dental Research, Research Resources, the National Institute on Aging, and the National Institutes of Health in general.

Most of you know that with these public hearings, as many people who care to testify, can, but we have to observe a 5-minute rule here. That's what the green, yellow, and red lights are for. This is not an accommodation to the chairman. I find these to be, far and away, the most interesting part of the hearings. It's an accommodation to your fellow witnesses, all of whom want to be heard. During the course of the public hearings this committee hears almost 200 public witnesses. So, I would appreciate it if you would observe the time restraints.

All statements, in their entirety, will be placed in the record. All statements, I might add, are gone over both by the chairman and the staff. So, with those ground rules, let's start the matters at hand this morning.

STATEMENT OF J. SCOTT MARSHALL, ESQ., DIRECTOR OF GOVERNMENTAL AFFAIRS, AMERICAN COUNCIL OF THE BLIND

PREPARED STATEMENT

Senator WEICKER. Our first witness is Scott Marshall, director of governmental affairs, American Council of the Blind.

[The statement follows:]

STATEMENT OF J. SCOTT MARSHALL

Mr. Chairman and members of this subcommittee: I am Scott Marshall, Director of Governmental Affairs for the American Council of the Blind. I thus represent the largest national membership organization of blind and visually impaired people in the United States.

Today I am also representing Friends of Eye Research, a nationwide coalition of concerned individuals who support a $208 million budget for the National Eye Institute (NEI) in fiscal 1985. Friends of Eye Research has no hesitancy about this budget recommendation, for it is firmly in keeping with the 5-year plan recently revised by some 350 scientists and published by the National Eye Institute.

I also underscore the need for this budget at a time of great concern over cutting the Federal budget. However, $208 million to be used in advancement of eye research will make possible the kinds of progress in treatment needed to reduce a health problem now estimated by NEI to cost $16 billion annually. This is how much it takes to cover costs of medical-hospital care, direct assistance payments to the needy blind, time lost from the job, and a host of other expenses associated with major vision loss.

The cost of blindness runs high, and yet there are new developments in eye research - developments which this subcommittee has helped make possible - which have brought new hope for the future. For example, a more effective drug for use in treating victims of uveitis currently is being tested with very encouraging results. Uveitis is an inflammation of the inner eye accounting for 5-10% of all blindness in the United States. If clinical trials now underway continue to be successful against uveitis, scientists believe it will also work against a whole array of auto-immune diseases that stubbornly resist other types of therapy.

Although many other areas of eye research progress can be cited, I personally have been most impressed by new refinements in laser treatment of serious problems in the retina. For example, there now are many more patients being treated successfully for macular disease, thus protecting precious vision used in reading and performing many other tasks requiring "detail vision". Lasers also are being used to help advanced glaucoma patients whose vision problems do not respond to even the most advance drug treatment. Again, this is made possible because of earlier research. Lasers used to protect the retina against the ravages of diabetically-induced retina problems is another example of work which NEI has made possible through its support of eye research across the nation.

NEI also is cooperating with the private sector in clinical trials of drugs which for the first time appear to be successful in delaying the onset of certain forms of cataracts. Examples of how these research successes will save Federal and private funds in coming years are given on the attachment accompanying this testimony.

Because it provides about 80% of eye research support in the U.S., NEI must continue to be the principal source of funding for new advances. It thus must remain the center for implementation of the revised 5-year plan, which serves as the blueprint for future eye research progress.

However, if NEI is to carry out its responsibilities effectively, the Administration budget recommendation of under $158 million to fund eye research in the next fiscal year must be revised upward. Here are but a few examples of what this budget - recommending less than a 3% increase - would do:

- Besides not keeping pace with inflation, the Administration's proposal would force reductions in ongoing grants estimated at 5%.
- There would be cuts in new and competing grants, with a projected loss of 31 project grants. These project grants truly are the backbone of progress in eye research.
- Eight fewer training awards would be made, thus threatening the future supply of investigators.
- A major concern of Friends of Eye Research is the fact that only about one out of every three grants in the "new and competing" category would actually be funded.
- At a time when progress in the neurosciences and molecular biology could help eye research, it would in inappropriate not to provide what is needed to implement the revised 5-year plan in order not to postpone the application of this new knowledge to eradicating blindness.

If members of this subcommittee are concerned over the NEI having funded more project grants than the NIH average, please permit me to clarify this. NEI has consistently maintained a lower average cost per RO-1. In addition, NEI does not have large amounts of extramural grant money tied up in maintaining expensive "centers" where grants frequently fund excellent research, along with some of lesser quality. It therefore would be a crippling blow to reduce the percentage of new and competing grants that could be funded in 1985 - particularly in view of the current outlook for progress.

Friends of Eye Research, including its Scientific Advisory Committee and Public Education Network have carefully scrutinized the $208 million Citizens Budget recommendation for eye research. Our Public Education Network - made up of organizations representing some 25 million people - was particularly pleased to see provision made for new initiatives in low vision research. Since three-fourths of the legally blind have partial sight, this makes great sense, but cannot happen unless funds for program expansion at NEI are available.

Mr. Chairman, Friends of Eye Research and the American Council of the Blind are pleased to join with other concerned organizations in advocating a $208 million Citizens Budget for fiscal 1985.

In closing, I invite you to try on pairs of "low vision simulators" which I have brought with me. It will give you an idea of what it is like to live in a world with severe loss of sight. Fortunately, you can take off the simulators whenever you like. For those of us who cannot have vision restored so easily, there remains a hopeful alternative: further progress through eye research and new treatment breakthroughs.

Attachment A

ECONOMIC IMPACT OF EYE RESEARCH

Of the 10 million people in this country who have uncorrectable visual impairments, 1.5 million cannot read ordinary newsprint; over one-half million are legally blind. In economic terms the cost of blindness is high. This country annually spends $15 billion in direct and indirect costs of eye diseases and blindness. Only through eye research can these statistics be addressed. Eye research has made a significant impact in overcoming the human and economic toll of blindness. A few examples indicate the successes in this area.

1. Cataracts: Thanks to small but relentless improvements in surgical techniques for removing cataractous lenses from the eye, the average patient stay in the hospital has been reduced by 6 days.
   - 6 days/patient X $250/day hospital costs X 500,000 operations annually = $750 million savings annually.
2. Diabetic Retinopathy: This leading cause of new blindness in the United States has yielded to breakthroughs in eye research with the use of the laser. Two-thirds of "high risk" victims of this disease can have their sight saved as a result of research.

- 19,000 diabetic retinopathy victims saved X $26,500 direct and indirect costs of maintaining a blind person = $500 million savings annually.

3. Glaucoma: Laser treatment today is replacing older types of surgery for treatment of "angle closure" glaucoma. This new approach requires no hospitalization, almost no time lost from work, and costs less in surgeon's fees.
   - 30,000 operations/year X $2,500 savings in hospitalization, wages, and surgeon's fees = $75 million savings annually.
4. Senile Macular Degeneration: This is the leading cause of blindness in people over the age of 65. It can now be treated, in certain forms, with the laser. A study just completed under the aegis of the National Eye Institute has shown that 12,800 victims could have their sight saved with this new procedure.
   - 12,800 victims X $4,400 net direct cost savings alone = $57 million savings annually.

Mr. MARSHALL. Thank you very much, Mr. Chairman.

I am Scott Marshall. I am representing today not only the American Council of the Blind, the largest organization of blind and visually impaired people in this country, but, the Friends of Eye Research, a coalition of some 25 million people interested in eye research.

Mr. Chairman, your committee has a difficult job. Eye research, it has to be one of those America, motherhood, and collie dog issues. Who could be against it? Even you, Mr. Chairman, one of the leading advocate of the handicapped, in the Senate, in your heart of hearts, you've got to be for eye research, I'm sure. But, how do we make the cut? I'd like to think that the richest society in the world would be able to fund biomedical research to the maximum extent necessary to alleviate these human problems.

But, realizing that that may be naive. Those of us that come before you and ask for funds have to demonstrate that our programs are cost effective, and that they are result oriented. And I think the National Eye Institute has a good track record in both regards.

Let me site to you a couple of examples, I site more in my written statement.

A few years ago my grandfather had cataract surgery. He was in the hospital for well over 1 week. Today, because of the research that this committee has funded, techniques in cataract surgery have been refined to an extent that has reduced the number of hospital days, of the average stay, by six. If you multiply that out by the average hospital cost of $250, times some 500,000 operations annually, you will see there is a $700 million saving right there.

NEI also has demonstrated cost effectiveness in the treatment of other eye disorders. The new techniques of using the laser to treat retinal disorders and uveitis, drugs which are administered to alleviate that eye inflamation.

I think, also, we must keep in mind that unless the recommended budget of $208 million, the citizens budget that we are supporting, is adopted, that much of this progress will be impeded or slowed. And that, certainly, would be a shame. Specifically, the ongoing grants would be reduced by 5 percent, if the President's budget were adopted. There would be cuts in new and competing grants. Some 31 grants would not be able to be funded next year and eight training awards would not be available. I think we must keep the momentum going Mr. Chairman, to do that, we have to take a hard look at where we spend our money. And, I think, once the record is viewed and the 5-year plan has been reviewed by the committee, which has been the product of some 350 scientists who have looked at this research, and the priorities of NEI very carefully, I think you will find that these are dollars well spent, that, in fact, do bring a, not only an economic return, but a human return to those people who are facing blindness or severe visual impairment.

You have been given a little celluloid vision simulator, it's a gimmick device, you look through it and you have an idea of what central vision loss is like. I know you know what the problems of disability are in this country, Mr. Chairman, and the cost that that involves to this Nation. And, I thank you for your past support and I would be happy to furnish you with any additional information which would be useful to you. Thank you.

Senator WEICKER. Scott, thank you very much, and, again, I couldn't concur more with your remarks, as to the allocation of our moneys in the richest Nation in the world, and I might add that, in determining the success or failure of our whole philospहy, of our politics, the world is going to judge us more on the basis of what we can produce to preserve and better the quality of life, rather than how easily or quickly we can destroy it. This happens to be one of the great strengths of the United States of America, as long as we go ahead and utilize it.

I can assure you that we will take a close look at the budget, more particularly that which you recommend. I thank you very much for your appearance here.

Mr. MARSHALL. Thank you Mr. Chairman.

STATEMENT OF DR. H. DWIGHT CAVANAGH, PROFESSOR AND CHAIRMAN, DEPARTMENT OF OPTHAMOLOGY, EMORY UNIVERSITY

PREPARED STATEMENT

Senator WEICKER. The next witness is Dr. Dwight Cavanagh, professor and chairman of the Department of Opthamology at the Emory University.

[The statement follows:]

STATEMENT OF DR. H. DWIGHT CAVANAGH

It is a great honor for me to report to you today concerning the pressing needs and extraordinary opportunities for eye research that exist in the United States today. For many years, principal testimony for the Citizens' Committee has been ably given by A. Edward Maumenee, M.D., now Professor Emeritus of Ophthalmology and former Director of the Wilmer Ophthalmological Institute of the Johns Hopkins University School of Medicine and Hospital. I had the honor and privilege to train with Dr. Maumenee and hope that my generation of research leadership will be worthy of the enormous heritage of accomplishment which you have supported. It must be very satisfying to the members of this Committee to observe the tremendous strides made by the National Eye Institute since its establishment in 1968. We are fortunate that the excellence of leadership and judgment of your Committee, at times standing courageously against the economic times, has assured that this vital area of medical research will never be neglected.

Our Citizens' Committee has placed before you a solidly constructed budget proposal for Fiscal Year 1985, based upon the planning and involvement of more than two hundred and fifty leaders in ophthalmology and visual science in the United States and around the world. The study has documented those areas in which research opportunities have been seized and blinding diseases halted. More significantly it has blueprinted those areas of current need which - perhaps for the first time - can now be exploited with existing technology and current manpower. Our planners have delineated strategies and goals for five years, targeting those areas which are most important clinically and most likely to be achieved technologically in a given time. This is not a "wish list", but represents realistic opportunities whose exploitation requires only the investment of specific amounts of money in areas that most warrant your support. With minimum investment we can cost-effectively reduce the burden of health care for the citizens of the United States. Blindness costs this nation at least fourteen billion dollars every year - an amount adequate to sustain the Eye Institute at its present budgetary level for almost a century.

The Eye Institute is truly unique among the National Institutes of Health. First, its budgetary planning process has set a new standard for responsible stewardship of Federal funds. Secondly, the benefits of eye research to the American people can be measured and documented each year, not only in sight saved, but in terms of actual achievements for dollars committed. As previously untreatable causes of blindness yield to the new technology, substantial savings are being produced in the nation's health care bill. Each year the list of diseases yielding to treatment becomes longer. In no other area of medicine are the results of research so quickly turned to the benefit of patients. Yet we cannot be dazzled by past achievements, because we have just begun to apply our new technical capability to the mammoth problems of widespread visual failure.

For example, senile macular degeneration has destroyed the ability to read and the mobility of thousands of citizens in their latter decades of life. This has been the most common cause of untreatable, unpreventable blindness in the elderly. Over the past decade the National Eye Institute has supported a clinical trial to study the efficacy of laser treatment of the disease. This was a multi-center trial in which 12 eye centers across the country participated, seeking out and treating the patients and following up on the individual results for 18 months. The trials culminated in the exciting discovery that Krypton laser treatment delays the onset of bilateral blindness in almost 90% of the afflicted. No longer must these elderly patients be committed to live without useful central vision. Recognition of the cause of the disease and the development of the Krypton laser instrument for its treatment can result in net savings of some $570 million over the next ten years. Yet the clinical trial cost only $1.56 million. For each dollar invested in preventive treatment, the national budget will be saved five hundred dollars in later years.

This method of clinical trial research, the application of new and existing technology to ages-old problems of blinding disease, represents a new approach which has been pioneered by the National Eye Institute. It often embodies cooperative efforts with private industries which I am sure both the Congress and the Executive department are most anxious to encourage. And it serves as a model for other important initiatives now being designed by the Eye Institute, but which can be carried out only if you are willing to invest the necessary funds.

One of the most important blinding diseases now yielding to substantive study supported by the Eye Institute is diabetic retinopathy - a major, blinding complication of diabetes. The largest single cause of new blindness in the United States, diabetic retinopathy was largely untreatable and unpreventable ten years ago.

Ongoing studies sponsored by the Eye Institute have since involved early treatment protocols with laser photocoagulation of diseased retinal vessels. Most recently, the development of sophisticated microsurgical instruments has made possible the stripping of membranes from the surface of retinas blinded by diabetes. Such previously unheard of techniques and technology are now being routinely applied to these once-untreatable cases. The National Eye Institute's diabetic retinopathy study showed that laser treatment can reduce blindness by 60 percent in people with advanced disease, with a potential net annual savings of over $454 million! If such laser treatment had been fully applied to cases of high risk diabetic eye disease from 1976 onward, it is estimated that as many as eighteen thousand people might have been saved from blindness, with a total economic saving of $4.5 billion. Again, the cost of the National Eye Institute trial for that study was only $10.5 million.

Even as we devise new ways to treat the ocular effects of diabetes with new technology, dramatic events of even greater consequence are taking place in regard to this disease. The exciting discovery that the enzyme, aldose reductase, is the triggering factor in the formation of diabetic cataracts has opened up what may be a major breakthrough in the entire field of diabetes. Potent inhibitors of the enzyme have been developed that we hope may prevent not only the devastating effects of the disease on the retina, but other dreaded neurological complications that are characteristic of the systemic disorder. Here again, clinical trial methodology is being put to work, with the private sector - a drug company, physicians, researchers and patients - joining forces in tests whose success might conceivably alter forever the course of a disease that afflicts the lives of some 10 million Americans. So you see we do not come to the government just asking for a blank check, but only the necessary funding to put the magnificent resources of our nation to work.

In another area, a blinding disease of premature infants, thought to be nearly extinct is now demanding the attention of researchers. In 1952, retrolental fibroplasia (RLF) was the leading cause of blindness in infants, with approximately 2,000 new cases in that year alone. Research demonstrated that excessive oxygen may produce the disease, and within a few years it all but disappeared. However, with the improvement of survival rates for very low birth-weight infants, the annual number of premature infants at risk is again as high as 3,700, with RLF cases at 2,100 per year. Some 550 of these become blind. Fortunately the disease is beginning to yield to scientific investigation. In 1985 the National Eye Institute plans to initiate a clinical trial of new surgical treatments for these severe cases, combined with promising forms of drug therapy, including the use of high doses of vitamin E. These promising new forms of therapy could double the current savings of two billion dollars per decade that are the result of research on this problem alone. Today we have the capability to extend this type of important research into many childhood diseases. And we have the responsibility also to improve the quality of these lives which we are saving.

Cataract surgery has improved in the United States to the point where it is today the most successful form of surgery practiced on our citizens. Success rates have achieved a 99% level. The recently-developed intraocular lens implant is being used in more than 70% of all cataract surgery - more than 400,000 of the 575,000 procedures performed each year - and its use is steadily increasing. The National Eye Institute pioneered the study of the new technology's safety and efficacy. Complication rates for this form of cataract surgery improve each year and are down to less than 3 per 1,000 in the population. Since all of us at this hearing as well as everyone in the United States is at risk for the development of cataract in our later years, the report is most encouraging. This type of surgery is also reducing costs, as technology leads the trend toward outpatient surgery - a viable alternative now under study. It is anticipated that as much as half a billion dollars each year may be saved if all cataract surgery in the United States is eventually performed on an outpatient basis.

Ophthalmic surgery has been advanced by the development of the Yag laser - an impressive addition to the family of lasers now in standard use. Up to now, ophthalmic lasers have done their work by producing tiny burns to seal off blood vessels and reattach torn retinas. The Yag laser beam is a cutting tool. It has a promising role in an inpatient setting for patients who develop secondary cataracts, and in removing membranes associated with intraocular lens implantation. It is expected also to find use in retinal surgery. The development of a rapid outpatient technique requiring no anesthesia and which allows the patient to return home within several hours is of obvious cost advantage. Lasers are increasingly taking the place of conventional surgery for acute glaucoma. Thirty thousand patients undergo treatment for acute glaucoma each year at a cost of $66 million. The savings over ten years in the development of this application of the laser are estimated at $660 million.

The leadership of the National Eye Institute in all of these areas has multiplied hundreds of times over the investment made by Congress in eye research. It certainly makes fiscal sense, especially in a time of worry about constantly rising national budgets, to spend one dollar now to save five hundred later. In addition, hundreds of thousands of American citizens will lead more productive lives, enriching our nation and its economy far more than the few dollars spent on research. The sight of millions of Americans is dependent not only upon what we are doing today, but what needs to be accomplished in 1985 and all the fiscal years ahead.

To meet the awesome responsibilities and herculean tasks for which the Eye Institute was established, the administration proposes a budget of less than $158 million for fiscal year 1985. an increase of only two percent over the previous year. This budget simply cannot meet the needs and challenges which are the responsibility of the Eye Institute. The confidence of the entire eye research community is being shaken and many programs already have fallen by the wayside. Young scientists who are the wellspring of new ideas and represent the future of vision research are being denied the opportunity for research training. We risk sacrificing an entire generation of investigators to policies of inadequate support.

Today we have opportunities that have never before existed to deal with blinding diseases by applying currently available technology to their solution. Important new areas are ripe for exploration. At present there are no known treatments for most of the hereditary degenerative eye diseases which jeopardize the sight of hundreds of thousands of people in the United States. In respect to one of these - retinitis pigmentosa - the Eye Institute proposes a study which will determine whether nutritional supplements, alone or in combination, can halt or slow the progression of some forms of this blinding disease. This research is absolutely essential if these people are to have any hope whatsoever for retaining their sight.

Inflammatory disease of the interior of the eye - known as uveitis - encompasses a wide range of severe disorders ranging from Herpes viral infections to the ocular manifestations of rheumatoid arthritis. Treatment methods have been inadequate, largely involving cortisone therapy, associated with grave side effects. We now have exciting evidence that a new and highly promising drug, Cyclosporine, may be an excellent specific treatment for these patients. A clinical trial is proposed by the Eye Institute to exploit this important new discovery. The new drug may also give great promise in averting rejection of corneal transplants.

This year we expect important results from a National Eye Institute perspective evaluation of radial keratotomy, a new surgical treatment for nearsightedness (myopia). This study will be a model for the evaluation of new surgical techniques to correct refractive visual errors. Some thirty to forty million Americans suffer from myopia.

The Eye Institute will also undertake clinical trials of the unlikely drug Botulinum A Toxin, a deadly poison which has been turned to important new therapeutic use by scientists who have successfully injected small amounts into the eye muscles of children and adults to correct visual imbalance and restore normal sight. Treatment of these patients on an outpatient basis could replace costly surgical treatments, resulting in substantial cost savings.

The ever-present and growing problem of Herpes Simplex viral infections of the eye, as well as the terrifying new disease AIDS (Autoimmune Deficiency Syndrome), present urgent challenges to eye research. New diagnostic techniques and drugs are being developed which give hope of controlling these diseases. It is possible that we will see the end of ocular herpes in our lifetime.

Research on corneal disease has blossomed with recent studies suggesting it may be possible to use corneas grown in tissue cultures to avert the calamity faced by some 33,000 patients in the United States who are presently waiting unsuccessfully for donor tissue to become available. We have a desperate need for additional research funding to make possible this important area of investigation.

It is most distressing that many areas of potentially highly productive research have hardly been tapped. Recently I had to inform a close colleague at my university in Atlanta that he had a highly malignant eye cancer known as ocular melanoma. Up to now treatment of this condition has been removal of the eye. The cancer has a high rate of spread throughout the body and it is associated with a death rate of over 50% within five years. Recently developed techniques of ion beam radiation give promise of preserving such eyes and their useful vision. We are in desperate need of funding to extend these studies. Other promising new areas include studies on a new drug - 5 Fluorouracil - which we hope may inhibit scar tissue formation in glaucoma surgery. We wish to exploit the use of a new silicone gel implant, pioneered in England which, placed inside the eye, offers incredible promise in the successful reattachment of large tears of the retina whose surgical success rates still are extremely poor. As long as these studies are not funded patients will continue to become blind.

In this brief testimony, it is not possible to touch upon all the new wonders of technology and accumulated results of research which are leading to effective management of previously unyielding eye diseases. To the extent that this budget is reduced, many of the important initiatives which I have described to you must be foregone or delayed - with resulting disastrous effect upon many thousands of Americans.

The opportunities I have described are well within the technological capability of our eye research community. I especially invite your attention to the need for continued support for the training of young investigators in eye research. The past two years have seen a loss of 17% in the number of these vitally needed young scientists due to reductions in funding of training programs. This is a trend that jeopardizes the effective use of all the knowledge gained in recent years. We simply cannot afford to abandon the development of the next generation of investigators. The concern with which your Committee has for nearly half a generation supported the wise development of the Eye Institute is recognized and deeply appreciated. We are proud that we have delivered on our promises to you and to the American people.

It is my urgent request that this Committee recommend approval of the appended Citizens' Budget Request of $208,300,000 for the National Eye Institute for Fiscal Year 1985. The request contemplates expenditures in the following program areas: For Retinal and Choroidal Diseases, $68,502,000; for Corneal Diseases, $27,472,000; for Cataract, $17,912,000; for Glaucoma, $18,114,000; for Strabismus, Amblyopia and Visual Processing, $40,240,000; for Visual Impairment and Its Rehabilitation, $3,060,000; for Research Laboratory Renovation and Construction, and Instrumentation, $10,000,000; for Intramural Laboratory and Clinical Research, Biometry and Epidemiology, $16,848,000; and for Research Management and Program Services, $6,152,000. Financial tables related to the proposed budget of $208,300,000 for Fiscal Year 1985 are appended to my statement.

I deeply appreciate the opportunity to present this testimony and I welcome the Committee's questions. Thank you.

H. DWIGHT CAVANAGH, M.D., Ph.D., is the F. Phinizy Calhoun, Sr. Distinguished Professor and Chairman of the Department of Ophthalmology at Emory University School of Medicine and Director of the Emory Eye Center. He currently serves as Chairman of Visual Sciences, a research grant study section of the National Eye Institute, and is Executive Secretary-Treasurer of the Association for Research in Vision and Ophthalmology, and a past Associate Secretary of the American Academy of Ophthalmology in Research and Regulatory Agencies. Dr. Cavanagh serves as the national consultant to the Surgeon General of the United States Air Force and is a former member of the advisory panel for the Food and Drug Administration. He is a Fellow of the American Academy of Ophthalmology, and holds membership in the American College of Surgeons, the American and International Colleges of Surgeons, and the Pan-American Association of Ophthalmology. He is the 1981 recipient of the Heed Foundation Award for Outstanding Ophthalmic Achievement. Dr. Cavanagh has been closely associated with the objectives of the National Eye Institute for the past dozen years and has twice served as a member of the National Eye Advisory Council Planning Committee whose efforts culminated in publication of the exhaustive report: *Vision Research: A National Plan 1978 - 1982.*

NATIONAL EYE INSTITUTE FINANCING
CITIZENS' BUDGET PROPOSAL, FISCAL YEAR 1985

BY ACTIVITY	FY 1984 Estimate	FY 1985 President's Budget Request	FY 1985 Citizens' Budget Proposal
Grants:			
Research Grants	$117,210,000	$119,994,000	$154,800,000
Extramural Research Laboratory Renovation, Construction and Instrumentation	-0-	-0-	10,000,000
Core and Specialized Center Grants	5,091,000	5,053,000	7,000,000
Individual Training	1,713,000	1,762,000	3,000,000
Institutional Training	2,187,000	1,779,000	3,000,000
Total Grants	126,201,000	128,588,000	177,800,000
Research & Development Contracts	6,368,000	6,368,000	7,500,000
Total Extramural Research	132,569,000	134,956,000	185,300,000
Direct Operations:			
Intramural Laboratory and Clinical Research	15,242,000	15,998,000	15,998,000
Biometry, Epidemiology and Field Services	750,000	850,000	850,000
Research Management and Program Services	6,122,000	6,069,000	6,152,000
Total Direct Operations	22,114,000	22,917,000	23,000,000
TOTAL NEI OBLIGATIONS	$154,683,000	$157,873,000	$208,300,000

BY PROGRAM	FY 1984 Estimate	FY 1985 President's Budget Request	FY 1985 Citizens' Budget Proposal
Extramural Research:			
Retinal and Choroidal Diseases	$ 59,370,000	$ 59,894,000	$ 68,502,000
Corneal Diseases	20,163,000	20,479,000	27,472,000
Cataract	11,246,000	11,589,000	17,912,000
Glaucoma	12,683,000	12,774,000	18,114,000
Strabismus, Amblyopia and Visual Processing	28,561,000	29,575,000	40,240,000
Visual Impairment and Its Rehabilitation	546,000	645,000	3,060,000
Research Laboratory Renovation and Construction, and Instrumentation	-0-	-0-	10,000,000
Total Extramural Research	132,569,000	134,956,000	185,300,000
ramural Research:			
Laboratory and Clinical Research, Biometry and Epidemiology	15,992,000	16,848,000	16,848,000
Research Management and Program Services	6,122,000	6,069,000	6,152,000
Total Intramural Research	22,114,000	22,917,000	23,000,000
TOTAL OBLIGATIONS	$154,683,000	$157,873,000	$208,300,000

Note: Fiscal Year 1985 begins October 1, 1984.

Dr. CAVANAGH. Good morning Senator Weicker.

Senator WEICKER. Good morning.

Dr. CAVANAGH. It's a great honor for me to report to you today and the members of your committee, concerning the pressing needs and extraordinary opportunities which we have in eye research in this country. I would like to say that it's an honor for me, personally, to replace my old professor, Edward Maumenee, who sat in this seat for many years and spoke for the cause, very well indeed. I hope our generation of younger leadership is going to pick up the baton and accomplish the wonderful things that have been done by that generation over the years.

This committee has been, through the years in Congress, through my observation, and those in eye research, one that has stood against the economic times, when they were difficult, sometimes courageously so, politically, and has assured that the vital area of medical research and eye research has not been unfunded. I want to emphasize several points to you this morning, Mr. Chairman, and to the committee. The first is that the Eye Institute is unique in its budgetary approach and its cost-effective analysis in presenting the results of your funding to us.

Let me give you an example of how this budget, that the citizen's committee has prepared, has come about. In eye reasearch, there are approximately 250 major centers in the world for eye research. Each of these centers is contacted, and each prepares a list of technological and research opportunities which are available. Now, this is not a wish list. This is a list of opportunities which require the application of existing technology to unknown disease problems. In other words, it's almost guaranteed to be successful if the funding is provided.

These committees then report to the Eye Institute, and a 5-year program guide is prepared, targeting those areas most ripe for technological exploitation. Thus, if these are funded, the results are almost guaranteed, in terms of research achievement. We're not asking you for a wish list that we might solve the cancer problem with the eye. We're going to give you some specific examples of areas we'd like to target, that we can deliver on.

I'd like to give you some specific examples of research that we have accomplished in the last year. Take senile macular degeneration. Your mother, your uncle, yourself, are liable to this disease. You lose the ability to read and drive. Think what that would do to your life. When I was a young resident, we would see a patient who would have this, 10 years ago, untreatable. I'm sorry, Senator, you're going to lose the ability to read, you're going to lose the ability to drive your car. This disease has been untreatable up until the last year, year and a half. Well, star wars is here. Not just the President's weapons budget, but the krypton laser. The krypton laser allows you to treat, in a central area of the eye, effectively, macular degeneration, and delay the onset, or prevent blindness in almost 90 percent of the population afflicted.

Let's look at the cost analysis of just that one achievement that the Eye Institute has been able to put together with a multiclinical trial throughout the United States. It could result in a net savings of some $570 million over the next 10 years. Now, how much did you pay for that research 1 year ago when your committee funded that project? You paid $1.56 million. The pay off then, in medical care, for the spending of money for prevention is 500 to 1 in that case.

Therefore, even in a time of decreased budgets, but especially when the out lying budget deficits in later years are going to be cumulative, if you will spend $1 million now, you may save $500 million later. How can we not afford to do that?

Again, the Eye Institute is unique in targeting those areas where existing technology can be applied with this type of project. Now, the method of clinical trial research, that is, the application of new and existing technology to old disease problems is a new approach in medicine that was largely pioneered by the National Eye Institute. That's not a claim, it's a fact. It embodies cooperative efforts with private industry such as the recent diabetic research drug to prevent diabetic cataract, which is being developed with a private pharmaceutical house, putting up funding along with public money, the Eye Institute, and the cooperation of the scientific community.

In other words, we're not just asking for Government money to fund these programs. We have already gotten private dollars, both from the private industry source and from private philanthropy. It's a cooperative effort, in which the Government becomes part, and not wholly responsible, which, again, I think is a refreshing approach to medical research.

Let's take another example of a blinding disease and cost effectiveness. The National Eye Institute, through the last 10 years, has appropriated a great deal of money, $10.5 million for the study of diabetic retinopathy, the commonest cause of new blindness in the United States, diabetes. Again, when I was a resident in a clinic 15 years ago, you would see a diabetic with this disease and you would have to send him to the social worker for counseling. There was no treatment available. The Institute's diabetic retinopathy studies, which there have been several phases, have now shown, that with laser treatment, we can reduce blindness by 60 percent in this group of people, with a potential net annual savings of over $454 million.

Over the last few years, 3 years, the cost of the National Eye Institute trials, to save this amount of money has been $10.5 million. So, you have a tremendous cost-effective payoff potential in years to come by spending an extra $50 million now, in this field, you have a tremendous cost payoff potential.

Let's look at one other area. We could go on and on, but——

Senator WEICKER. The reason we can't is because the red light has been on for a while. Let me say this, I'm very impressed by the figures which you have there, in terms of what is being saved today.

In the area of cataracts and new laser technology, does this hold promise, the same type of cost savings?

Dr. CAVANAGH. It has incredable promise. It is going to allow us to extend cataract surgery to outpatients alone, there are approximately

650,000 cataract operations done in this country, as the previous person testifying told you. It's almost certain that this is the way it will be done in the future, on an outpatient basis.

The State of California medical is now only reimbursing for outpatient cataract surgery. The implications there are $500 million a year savings. Without the research that went into the development of the laser, let me tell you just quickly, I know I'm out of time in fairness to the others, when you develop an after cataract membrane with an interocular lens implant, which is the choice of most patients now, for surgery, you have to rehospitalize that patient for one or two nights. They come back to the operating room and reoperate on them, with all that cost and risk.

With the laser, in approximately 2 minutes, if you're really slow about it, you can pop the membrane in the office and have the patient go home. It is star wars technology revisited, but, it's existing technology applied to existing opportunities. Therefore, standing against the budgetary times, I would say not only is it the humane, moral, correct stance, it is also the most cost-effective budgetary stance. A dollar spent now will save you $500 later.

Senator WEICKER. Thank you very much. I appreciate your testimony.

PREPARED STATEMENTS

Before we move on to our next witness, Mrs. Sylvia Rachlin, executive vice president of Myopia International Research Foundation was to be present, however she was unable to attend. At this time her complete statement will be made a part of the record, along with other statements submitted for the record on appropriations for the National Eye Institute.

[The statements follow:]

STATEMENT OF SYLVIA N. RACHLING, EXECUTIVE VICE PRESIDENT, MYOPIA INTERNATIONAL RESEARCH FOUNDATION, INC.

Americans spend over five billion dollars annually for eye care. In addition, eye disorders account for suffering in individuals and their families that is beyond all statistical measurement.

THE MYOPIA INTERNATIONAL RESEARCH FOUNDATION urges increased dedication to all research that would promote early detection, treatment and prevention of eye disorders. Healthy eyes in childhood offer greater promise for a happy and productive life.

The Myopia International Research Foundation is convinced that research into the causes, treatment and prevention of myopia could revolutionize the entire practice of eye care and promote the prevention of blindness. Moreover, results of research reduce the tax burden and restore the handicapped to tax rolls. The greater the investment. the greater the return, even in these times.

We, therefore, appeal to this Honorable Committee that it give its generous support to the requests of the National Eye Institute to make possible adequate grants for research. The returns will prove most beneficial to our national health and economy.

PERTINENT FACTS

The Myopia International Research Foundation, Inc. launched the first comprehensive, interdisciplinary research program in the United States into the causes, treatment and prevention of nearsightedness.

Our immediate goal is to save the eyesight of more than one million American children (besides millions around the world) who are doomed to blindness because of progressive, pathological myopia for which there is no known cure. This, we are doing with the cooperation of Doctors in the United States and elsewhere throughout the world.

The Myopia International Research Foundation sponsored the First International Conference on Myopia in 1964.

Since 1965 the Myopia International Research Foundation has appeared before Appropriations Sub-committees of the U.S. Senate and House of Representatives appealing for increased support of eye research through the National Eye Institute. Each year, this Foundation has been one of the Public Witnesses invited by these Committees to present testimony on needed eye research for the nation under the National Eye Institute.

The Myopia International Research Foundation has been invited to exhibit at conventions of the American Academy of Ophthalmology. An increasing number of Ophthalmologists has become interested in our Program.

The Myopia International Research Foundation has exhibited at International Congresses of Ophthalmology since 1966, most recently at the 1982 International Congress in San Francisco. These presentations have been enthusiastically received by eminent Doctors from around the world.

The Voice of America has broadcast details of our Program on two occasions.

The Myopia International Research Foundation is idealistic in its operation. ` No money whatsoever is spent on administrative salaries or professional fund raisers.

The Myopia International Research Foundation has launched the MYOPIA INTERNATIONAL RESEARCH NETWORK to promote worldwide coordinated scientific research on myopia by Doctors and interested patients.

STATEMENT OF MIKE GORMAN, EXECUTIVE DIRECTOR, NATIONAL INITIATIVE ON GLAUCOMA CONTROL

Glaucoma is the leading cause of blindness in the United States today. In a recent Gallup poll, blindness ran second to cancer as the affliction most feared by the American people.

It is shocking that we have no precise idea of its extent. For a number of years organizations in the eye care field have been using a figure of two million glaucoma victims - one million who know that they have it, and another million who are unaware. Most experts in the field question these figures as too low. For example, the American Academy of Ophthalmology, in a 1983 survey of laser surgery for glaucoma, estimated that from five to six million individuals suffer from some form of glaucoma, with the percentage of the population with glaucoma increasing sharply as people grow older. In addition, according to the 1983 report of the Glaucoma Panel Report to the National Eye Institute, as many as ten million people may have elevated intraocular pressure, called "Ocular Hypertension"; an undetermined percentage of these people will eventually develop glaucoma.

Conscious of the seriousness of the problem, and determined to move the offensive against glaucoma into the forefront of our national health agenda we have, after several years of careful planning, formed a National Initiative on Glaucoma Control. In essence, the moving spirits behind the Initiative - Mary Lasker, Claude Pepper and a number of distinguished ophthalmologists - are the same people who were largely responsible for the creation of the National Eye Institute of 1968.

We are concentrating on glaucoma because we feel it does not have anywhere near the priority it deserves; it really needs a <u>targeted</u> campaign to alert the millions of Americans who are possible victims of the disease. Without an organized campaign of early detection and subsequent treatment, many of the victims of the disease will eventually go blind. We are also moving into this area because of its lethal impact upon practically every walk of American life. For example, glaucoma ranks behind only heart disease and arthritis in its devastating effects upon our elderly population. Secondly, it has a disproportionate and devastating impact upon blacks; one study estimates that glaucoma is eight times more prevalent among blacks than among whites.

Over the past decade, the Congress has placed increasing emphasis, in appropriating budgets for the National Institutes of Health, in the area of dissemination of research knowledge from the laboratory to the bedside and to the community. The National Cancer Act of 1971 and the National Heart, Lung and Blood Act of 1972 are prime examples in which the Congress mandated both those Institutes to develop specific sections on disease prevention and health promotion. Time does not permit a detailed discussion of these efforts, but it is fair to state that many research findings are no longer confined to the laboratory - they are widely and aggressively disseminated.

In recent years, the Cancer Institute has served as a model of aggressive disease prevention and health promotion. The Cancer Cause and Prevention Division reported, in the Fy 1984 hearings before this Committee, that it was spending more than $300 million in prevention research, plus an additional $41 million in a variety of communications efforts translating these research findings into risk factor information for the general public. Commenting favorably upon this plan of action, the Congress recently noted that "the Institute's cancer control program is the focal point for applying research results to human populations."

These words of wisdom have obviously reached the higher echelons of the Department of Health and Human Services. On March 6, Secretary Heckler announced a new Cancer Prevention Awareness Program which she said could save 95,000 lives a year and bring about a reduction of 200,000 cancer deaths by the turn of the century.

The Glaucoma Initiative is modeled after a similar effort in the cardiovascular field which concentrated on high blood pressure. When we started our High Blood Pressure Initiative in 1972, millions of Americans were unaware that they have high blood pressure, and how serious the consequences were in the subsequent development of heart disease and stroke. In cooperation with the National Heart, Lung and Blood Institute we formed a National Blood Pressure Educational Program to bring the high blood pressure story to the American people. We eventually recruited twenty-six professional and voluntary health organizations in this endeavor.

We used every public information channel to tell our story which was really very simple: "Get your blood pressure checked and, if it is above normal, seek medical treatment." We contracted with the Advertising Council of America for massive television, radio and print messages. We devised high blood pressure screening and follow-up programs for industry; today more than two hundred large industries have year-round detection and treatment programs. This Committee, and its counterpart in the House, provided project grants to state health departments to push this awareness endeavor, but the federal monies were never more than one-third of the total expended each year.

I think the results of this educational campaign, described by former Secretary of Health, Education and Welfare Richard Schweiker as "the only successful prevention program against a chronic disease" is certainly well-known to this Committee and to the public at large. When we began the program fifty percent of high blood pressure victims were unaware that they had the disease since it has no symptoms. Today, only twenty percent are unaware and we are moving that percentage down.

The entire thrust of the program is best described in the House Appropriations Committee's Fiscal 1981 Report to the Congress:

> "If the program (hypertension project grant) were expanded to reach additional millions of hypertensives not now being served it would be possible to extend the lives of tens of thousands of Americans who die each year at an earlier age than they should . . . the decline in morbidity and mortality associated with hypertension may yield an economic return that can be measured in the billions."

The analogy between the High Blood Pressure Educational Program and a proposed Glaucoma Education Program is startingly similar. In both cases, we have several million people who do not know they have the early symptoms of a disease and must be brought into the screening and treatment cycle. There are drugs and other treatment modalities which can prevent the onset of disabling consequences, and this vital information must be broadcast widely.

We are confident that we can obtain the full cooperation of the National Eye Institute in this regard. It is our judgment that the Eye Institute has done a magnificent job during the fifteen years of its existence. We are aware of some of their excellent clinical trials designed to compare the effectiveness of various therapies against eye disease. We are, of course, particularly interested in a clinical trial just beginning to test the relative effectiveness of existing drugs and laser therapy in the treatment of glaucoma.

However, we must be frank in stating that glaucoma is to the bottom of the ladder in prevention and dissemination efforts. For example, we would like equal time with the diabetic retinopathy information programs which the Eye Institute people constantly single out as an example of what they are doing in dissemination of research knowledge to the medical profession and to the public. We heartily commend this effort. Thousands of copies of a brochure entitled Diabetes and Your Eyes have been distributed to voluntary organizations in the eye care field. The NEI has also been collaborating with a number of voluntary and professional organizations in the development of new materials on diabetic retinopathy which they can produce and distribute to their members.

In recent years NEI scientists and several pharmaceutical companies have been cooperating in developing and testing drug inhibitors which may be of value in slowing down or halting the progression of diabetic retinopathy, the retinal disease that is the most frequent cause of blindness in diabetics. The major project involves a cooperative effort with Pfizer Laboratories which has developed a drug called Sorbinil. The striking feature of this cooperative effort lies in the fact that Pfizer will pick up 95% of the cost of this important seven million dollar clinical trial which will extend over a period of three years. The National Eye Institute will contribute only $200 thousand a year as its contribution.

We applaud these efforts but we are still waiting for our turn. We would therefore be very pleased if the Committee would include, in its Fiscal 1985 Report to the Senate, language along the following lines:

> "The Committee requests the Institute to develop a health promotion program to motivate the public to seek early diagnosis and treatment for glaucoma, the major cause of blindness in this country. This program would be similar in nature to the Heart Institute's National High Blood Pressure Education Program which, working with national health organizations in the private sector, more than doubled the number of people screened and treated for high blood pressure and was the major factor in the enormous reduction in heart disease and stroke mortality over the past decade.
>
> The Committee recommends that an initial sum of 5 million dollars be allocated toward this objective, and that the Institute work closely with professional and lay organizations in the eye care field in launching this over-due preventive endeavor."

The National Initiative recommends a total budget of $208 million for the Institute during fiscal 1985, which is the sum recommended by the National Advisory Eye Council. The Administration's recommendation of $158 million is obviously inadequate to carry out the many challenges faced by this excellent Institute.

LETTER FROM ROBERT D. REINECKE, M.D., SECRETARY, AMERICAN ACADEMY OF OPHTHALMOLOGY

May 4, 1984

The Honorable Lowell P. Weicker, Jr., Chairman
Subcommittee on Labor, Health and Human
Services
131 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Weicker:

The American Academy of Ophthalmology is pleased join with Research to Prevent Blindness and Friends of Eye Research to support the National Eye Advisory Council's citizens' budget of $208 million for the National Eye Institute in Fiscal Year 1985.

Please let me raise an issue that has been the subject of some discussion. As you know, the National Eye Institute (NEI) funds a greater percentage of approved grants than are funded by other Institutes of the National Institutes of Health. It is our fear that comparisons of these percentages, in the absence of the important realities that they reflect, may be used to justify giving a smaller share of the total NIH budget to the NEI. The Academy believes it is important to understand that this higher percentage does not result from the NEI having a budget that is "fat" in any way, but from differences in the way NEI's program is managed and from its success in attracting outside funding.

One important fact is that the NEI does not award the kinds of large project grants that go into the percentage calculations of other Institutes, and is thus able to fund a relatively larger number of smaller investigator-initiated grants.

In addition, NEI's budget is kept lean by the rigorous and unique planning process carried out by the National Eye Advisory Council, which identifies both research needs and proposals deemed to have a high likelihood of success, and matches them as a key planning step.

And finally, NEI has been able to obtain partial private-sector funding for clinical trials in recent years; therefore enabling it to devote a greater proportion of its funds to investigator-initiated research.

Because of these differences in program management and recent success in obtaining outside funding, the cause of real equity among Institutes could not be served by a funding level based upon equalizing the percentage of grants funded. Moreover, such an approach could have a negative effect on the NEI research program, which is already well behind the National Advisory Eye Council's carefully drawn plan due to previous shortfalls in federal funding.

I would like to request that this letter and the attached position paper be included for the record.

Thank you for your consideration.

Sincerely,

Robert D. Reinecke, M.D.

NATIONAL EYE INSTITUTE APPROPRIATIONS

POLICY

The American Academy of Ophthalmology supports adequate Congressional appropriations to properly fund useful research and operational monies for the National Eye Institute (NEI).

BACKGROUND:

The National Eye Institute is the primary source of support for vision research. From its investigations into the normal and abnormal structure and function of the visual system, significant contributions to biomedical science have been made during the past decade. Of a work force of 12,000 at the National Institutes of Health, NEI employs about 160 people, representing approximately 1% of the NIH budget. NEI funds approximately 80% of all vision research supported by the federal government and national private philanthropic organizations.

EVALUATION:

The way in which NEI is managed is regarded as a model for other institutes at NIH. At NEI, planning is deemed an integral part of the organization. To assist the planning process an provide direction, the National Advisory Eye Council was established. The Council is comprised of 12 individuals from basic and clinical vision research, eye care, and the public at large. The Council advises the NEI Director and his staff on grant awards and program/policy development.

As part of NEI's planning process, a vision research national plan has been developed. More than 160 leading representatives of the vision research community developed this plan, relying on the Council's report for guidance in the background, rationale, and principles of vision research program planning. Under the direction of Dr. Carl Kupfer, the process has been refined even further, and the finishing touches for the third National Plan are being applied.

The Council estimates that fiscal year 1985 and 1986 budgets of $208 and $225 million are required to sustain the progress made with the treatments for diabetic retinopathy, uveitis, glaucoma, and other vision impairment diseases. This amount would support 1,410 and 1,460 research projects for FY 85 and 86. These sums still represent, however, a reduction from the 1,516 projects in the vision research plan funding recommended by the Council in 1978. In response to budgetary constraints, NEI has planned cutbacks in areas such as basic psychophysics research. It is important that the Institute has been able to maintain its funding flexibility. To avoid mandatory commitments that would limit future options, NEI does not fund large program project grants or other umbrella grants.

SUMMARY:

The NEI was appropriated $142 million in fiscal year 1983 and approximately $155 million in fiscal year 1984. The Council's proposed NEI budget for fiscal year 1985 is $208 million. This budget is based on a sophisticated planning process that recognized the significant savings made possible by previous research expenditures. For example, findings from the Institute's diabetic retinopathy study have prevented thousands from going blind, resulting in estimated savings of over $4 billion to the economy. Findings from recent research indicate that it may be possible to use drugs that will retard cataract formation enough to delay surgery ten years. If this occurs, it may be possible to delay 180,000 cataract operations for ten years, representing a $3 billion savings.

The American Academy of Ophthalmology urges Congress to recognize the achievements of the NEI, and to vote for an increase in the NEI budget for fiscal year 1985 to sustain vision research capabilities.

STATEMENT OF BRADLEY K. GREENWAY, PRESIDENT AND CHAIRMAN OF THE BOARD OF THE AMERICAN STUDENT DENTAL ASSOCIATION

PREPARED STATEMENT

Senator WEICKER. Next we have Bradley Greenway, president and chairman of the board of the American Dental Association.

[The statement follows:]

STATEMENT OF BRADLEY K. GREENWAY

My name is Bradley K. Greenway. I am a student member of the American Dental Association and I presently serve as President and Chairman of the Board of Trustees of the American Student Dental Association. I am appearing today on behalf of these two associations, and the American Association of Dental Schools. This morning I would like to highlight several major areas of concern to our Associations, and with the permission of the Subcommittee, insert a more detailed statement into the record.

STUDENT ASSISTANCE

Mr. Chairman, as you know, the cost of graduate education has increased dramatically in recent years. Nowhere is this trend more evident than in the 60 U.S. dental schools. Currently, the average first-year cost to the dental student, exclusive of living expenses, is approximately $10,000. Total four year costs, again excluding living expenses exceed $32,000 on the average. At Emory University in Atlanta, Georgia, where I am a senior dental student, total four-year educational costs are nearly $50,000.

As you can imagine, an immediate consequence of this high cost of attending dental school is the escalating debt burden of recent dental graduates. In 1983, graduating dental students reported total educational debts averaging almost $29,000. There is legitimate concern, we believe, that these highly indebted graduates may not have the financial ability to repay loans of this magnitude during the early years of dental practice. We especially are concerned about graduates who have exhausted the loan limits of programs with more reasonable terms, such as the Health Professions Loan (HPSL), Guaranteed Student Loan (GSL), and National Direct Student

Loan (NDSL) programs, and must resort to high interest rate HEAL loans.

Our Associations therefore recommend that Congress appropriate sufficient funds to ensure that needy students are not foreclosed from pursuing a dental career. We specifically request that:

- $20 million be appropriated in fiscal 1985 for HPSL loans. We would like to emphasize that insitutions recently have intensified their debt collection efforts and improved the administration of this program. A portion of this sum, $5 million, should be directed to those schools which have participated in the program since 1972 and have undeveloped revolving funds.
- $12 million be appropriated for Exceptional Financial Need (EFN) scholarships. Although this program only assists students for one year, it is a crucial component of the financial aid package for these extremely needy students.
- $24 million be appropriated for disadvantaged assistance special projects. This funding aids in the recruitment and retention of minority dental students.

We also request that Congress raise the HEAL program credit limit to $275 million. Although we are more supportive of the more reasonably termed loan programs, unfortunately an increasing number of students are forced to utilize this loan of last resort.

GENERAL DENTISTRY TRAINING

Dental general practice residency programs have been particularly effective in providing future dental practitioners with the skills and experiences necessary for the provision of comprehensive care to medically and emotionally compromised patients. These programs represent dentistry's major federally supported primary care initiative to enhance the provision of care to underserved segments of the population, and to prevent overspecialization in the profession. Unfortunately, a decline in funds available for grant awards has sharply curtailed the number of GPR project grants which can be supported. In fiscal 1984, for example, less than $1.9 million is available for these programs. This compares to $4.5 million which was awarded in fiscal 1978.

More than 2,000 graduating senior dental students are expected to seek advanced training in general dentistry in 1984, with less than 850 educational opportunities available.

Our Associations recommend, therefore, that Congress authorize and appropriate $42 million for family medicine and dental general practice residencies. We request that 15 percent of this sum, $6.3 million, be earmarked for dental training programs.

Before concluding, I would like to note two other areas of importance to us. First, to aid efforts to prevent dental disease, we request that Congress fund the dental disease prevention/fluoridation activity at the Centers for Disease Control. This important program serves as a national focus for promoting oral health through prevention and also is a source of technical assistance to states and local communities with fluoride-deficient water supplies. We recommend an appropriation of $1.5 million for this program. Last I would like to note that our Associations endorse the funding recommendations for the National Institute of Dental Research made by the American Association for Dental Research.

Thank you.

Senator WEICKER. Mr. Greenway.

Mr. GREENWAY. Good morning. Thank you, Mr. Chairman. My name is Brad Greenway, I'm a student member of the American Dental Association, and I serve as president of the American Student Dental Association. I am appearing today on behalf of these two associations and the American Association of Dental Schools.

Mr. Chairman, as you know, the cost of graduate education has increased dramatically in recent years. Nowhere is this trend more evident than in the 60 U.S. dental schools. Currently, the average first-year cost of the dental student, exclusive of living expenses, is approximately $10,000. At Emory University in Atlanta GA, where I'm a senior dental student, the total 4-year educational costs are nearly $50,000. As you can imagine, an immediate consequence of this high cost of attending dental school is the escalating debt burden of recent dental graduates.

In 1983, graduating dental students reported a total educational debts averaging almost $29,000. There is a legitimate concern, we believe, that these highly indebted graduates may not have the financial ability to repay loans of this magnitude during the early years of dental practice. We especially are concerned about graduates who have exhausted the loan limits of programs with more reasonable terms, such as the HPSL loans, GSL loans, and NDSL programs. Most resort to the high-interest rate yield loans.

Our associations, therefore, recommend that Congress appropriate sufficient funds to ensure that needy students are not foreclosed from pursuing a dental career. We specifically request that $20 million be appropriated in fiscal 1985 for the health professional loans. We would like to emphasize that institutions recently have intensified their debt collection efforts and improve the administration of this program.

A portion of this sum, $5 million, should be directed to those schools which have participated in the program since 1972, and have undeveloped revolving funds; $12 million be appropriated for exceptional financial need scholarships. Although this program only assists students for 1 year, it is a crucial component for the financial aid package for these extremely needy students; $24 million be appropriated for disadvantaged assistance, special projects. This funding aids in the recruitment and retention of minority dental students.

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More than 2,000 graduating senior dental students are expected to seek advance training in general dentistry in 1984, with less than 850 educational opportunities available. Our associations recommend, therefore, that Congress authorize and appropriate $42 million for family medicine and dental general practice residency. We request that 15 percent of this sum, $6.3 million, be earmarked for dental training programs.

Before concluding, I would like to note two other areas of importance to us. First, we request that Congress fund the fluoridation activity at the Centers for Disease Control. This important program serves as a national focus for promoting oral health through prevention and is also a source of technical assistance to States and local communities with fluoride deficient water supplies. We recommend an appropriation of $1.5 million for this program.

Last, I would like to note that our associations endorse the funding recommendations for the National Institute of Dental Research, made by the American Association for Dental Research. Thank you.

Senator WEICKER. Thank you, very much. I appreciate your testimony.

STATEMENT OF DR. JAMES E. OVERBERGER, ASSOCIATE DEAN FOR RESEARCH AND GRADUATE, POSTGRADUATE AND CONTINUING EDUCATION, WEST VIRGINIA SCHOOL OF MEDICINE

Senator WEICKER. Next we have Dr. James Overberger, associate dean for research and graduate, postgraduate and continuing education, West Virginia School of Medicine.

Welcome Doctor.

Dr. OVERBERGER. Good morning. Mr. Chairman, members of the committee, my name is Dr. James E. Overberger. I'm professor and associate dean at the West Virginia School of Dentistry. I am appearing today on behalf of the American Association of Dental Research, of which I'm a member.

Mr. Chairman, Americans pay an extremely high dental bill, $19 billion per year, plus the cost of days lost work and reduced productivity. Evidence of dental disease can be found in virtually all people. Gum disease is endemic, affecting 75 percent of adults, 68 percent of youths, 30 percent of our children. The big problem is that periodontal gum disease increases with age. This results in pain, bleeding gums, bacteria in the blood which may be a cause of heart disease, and an eventual loss of teeth.

Another problem is; with aging, gums recede, exposing the root surface to dental decay, which are destroyed very rapidly, leading to loss of teeth and replacement with dentures. I can tell you, Mr. Chairman, that as a prostodontist, there are many senior citizens that cannot eat with dentures, and they are virtually gumming it. This results in poor nutrition and decreased quality of life.

Another problem is the number of babies born with facial deformities, and increasing incidence of sores caused by herpes simplex virus, similar to the increase we're seeing in general herpes virus. Dental science, however, has yielded numerous leads, which promise that new preventive measures can be anticipated. For example; there's evidence that different forms of gum disease may have specific bacterial causes which have contributed to basic knowledge of this disease.

We must continue to search for more effective means of prevention and treatment of gum disease, so that our citizens do not lose their teeth. Dentures are not the answer. We've had good payoffs in reducing caries in children, but the incidence of root caries is increasing in our elderly population, leading to tooth loss. We must attack that problem and prevent it.

Many of our children are born with cleft lip palet and other deformities. We must learn how to prevent these disfigurements.

Mr. Chairman, I would like to call to your attention this document, "The Challenge of the 1980's," it's a long-range research plan of the Dental Institute. If we are to make progress in any of our efforts, we must increase the future availability of young and developing investigators who staff our dental schools. As an administrator of a school, I can personally tell you that it is virtually impossible to recruit and find clinically trained investigators today. We must establish a dental scientist award designed to prepare competent clinical dentists and scholars for careers in oral health research, if we are to make any inroads in the treatment of dental disease. And we respectfully request that this committee provide the $1.5 million for the dental science award.

Mr. Chairman, the President's 1985 budget for the Institute, proposes to fund new thematic centers. We believe the establishment of thematic centers will bring together researchers from many disciplines to concentrate on specific dental diseases like gum disease. We urge you to approve the additional funds for thematic centers. We are aware of budgetary pressures facing this Congress, and we request the committee provide a funding level of $1.3 million for fiscal 1985. This level will allow us ongoing research, will balance the investments in all the elements of a successful dental research program.

Unless all these elements are funded, we believe the taxpayers of this country, underwriting this enterprise, will not reap the benefits of this investment.

PREPARED STATEMENTS

I thank you for the opportunity to testify, and I want the full text to be included in the record. And I'd be happy to answer any questions.

Senator WEICKER. Thank you very much, Dr. Overberger. Your statement will be included in the record at this point along with other statements submitted for the record on appropriations for the National Institute for Dental Research.

[The statements follow:]

STATEMENT OF DR. JAMES E. OVERBERGER

Mr. Chairman and members of the Committee, my name is Doctor James E. Overberger. I am Professor and Associate Dean at the West Virginia University School of Dentistry, and I also hold a Master's degree in restorative dentistry. I am appearing today on behalf of the American Association for Dental Research (AADR), of which I am a member. I appreciate having this opportunity to present testimony regarding the fiscal 1985 budget for NIDR and respectfully request that the full text of my testimony be included in the record.

The membership of the AADR consists of over 3,400 scientists from a variety of basic science and clinical disciplines located in universities, research institutes, hospitals, and industrial laboratories around the country. Our principle objective is to study the causes of the major diseases affecting the teeth and orofacial region, seeking ways to control or prevent these diseases. We are pleased to make the resources of our Organization, which is headquartered here in Washington, available to members of Congress and their staffs.

Statement of the Problem

Mr. Chairman, as you know, Americans continue to pay an exceedingly high dental bill -- currently over $19 billion per year. To this figure must be added the cost of days lost from work and reduced productivity.

Additional evidence of the extent of dental diseases can be found in the surveys conducted by the National Center for Health Statistics and the World Health Organization. These surveys found that in America, gingivitis and periodontitis are endemic, affecting 75 percent of adults, 68 percent of youths, and 30 percent of children. Typically, the younger age groups have a milder reversible form of the disease -- gingivitis affecting one or several teeth. On occasion, our youth also experience a very severe form of periodontal disease which can lead to permanent damage. In general, however, both the incidence and severity of the periodontal diseases increase with age, paralleling the rise in edentulousness (loss of teeth). The problems experienced by individuals afflicted with this disease are inflammation, pain, bleeding, and, finally, loss of teeth and oral function.

It should also be noted that preliminary studies suggest that those Americans fortunate enough to retain their teeth into their senior years will be confronted with root caries. With aging, gums around the teeth recede, exposing the root surfaces, thus permitting decay-causing bacteria to attack the surface of the root. The roots are destroyed much more rapidly than tooth crowns by decay leading to sudden and serious problems in retaining teeth.

In addition to the above dental diseases, there are other areas requiring continued research attention. I am speaking about the number of babies born each year with facial deformities, and the high incidence of oral sores caused by herpes simplex virus.

As you can see, dental diseases affect almost every man, woman, and child in our society. Thus, there is a strong need for research that will produce new knowledge about treating and preventing diseases of the mouth and face.

Research Achievements

Dental science has yielded numerous leads which promise that important new preventive measures for dental disease can be anticipated. For example:

> Periodontal disease: Recent studies from a number of laboratories suggest the possibility that different forms of periodontal disease may have specific microbial causes. This research has contributed significantly to the base of knowledge about the disease process, the host-infectious agent interactions, and the importance of genetic and environmental factors.
>
> These findings clearly show the complicated nature of the disease; and thus the search must continue for more extensive understanding to lead the way to more effective means of prevention and treatment.
>
> Tooth decay (dental caries): The results of past research on dental caries are being seen in our children and youth. Surveys have shown that the incidence of caries has decreased by from 32-50%, and will in all probability continue to decline over the next 10-15 years.
>
> However, the incidence of root caries is increasing in our elderly population and represents a new challenge. Dental science has learned that Streptococcus mutans can cause decay on root surfaces and other smooth surfaces. Armed

with this knowledge, dental scientists can assess the effectiveness of existing measures, as well as develop new means of prevention.

Craniofacial malformation: These defects include cleft lip, cleft palate, deformities of the jaw, incomplete ossification of facial or cranial bones, and facial asymmetries.

Dental scientists and others have created new animal models and developed new tissue culture techniques to study normal development and to clarify the role of teratogens, genetic defects, and other threats to normal growth. In some cases, these studies are able both to pinpoint vulnerable periods during development and to elucidate the biochemical disorders which underlie craniofacial malformations. The results of such studies can provide guidance for prevention of these disfigurements.

Long-range Dental Research Plan

Mr. Chairman, I would like to call the Committee's attention to the fact that the National Institute of Dental Research has just completed an intensive effort to develop a comprehensive long-range research plan. This plan was developed with input from extramural as well as intramural scientists and administrators. The plan, of which I have a copy and which I would like to leave with the Committee, reviews past accomplishments, current status, and future challenges and opportunities in oral health research. Those of us in the research community believe that this plan offers a blueprint to this Committee for making future funding decisions for the National Institute of Dental Research.

Dentist Scientist Award

Members of the Committee, if the research agenda I just mentioned is to be realized, then immediate attention must be given to ensuring the future availability of a variety of investigators to staff dental schools and dental research institutes. The problem has become so critical that our institutions have had to go outside the United States to find suitably trained people to fill such positions. The comprehensive research plan calls for establishing a dentist scientist award specifically designed to prepare competent clinical dentists and scholars for careers in oral health research. There are three components to the Dentist Scientist Award Program, namely,

- Advanced Basic Science Development. The objective of this component of the program is to develop requisite knowledge and research skills in needed basic science areas.

- Advanced Clinical Science Development. The objective of this component of the program is to ensure that the candidate has requisite advanced clinical knowledge and skills.

- Research Experience Development. The objective of this component of the program is to provide an intensive, supervised research experience that will facilitate the transition from trainee to active investigator.

We respectfully request that this Committee provide $1,500,000 for the Dentist Scientist Award. I would like to point out that the line item in the National Institute of Dental Research budget which corresponds to this recommendation is the "Other Research" line.

Thematic Centers

Mr. Chairman, the President's 1985 budget for NIDR proposes to fund new thematic centers. We believe the establishment of thematic centers to be an important element in the continuum of dental science, and as such they will contribute significantly to the development and dissemination of new knowledge. These centers will bring together researchers from many disciplines to concentrate on specific dental diseases. These centers will be able to build upon the latest research results and will act as a bridge between the basic science laboratory and the clinical setting. In time, it is our hope that the thematic centers will accelerate the transfer of new technology. We urge you to approve the additional funds for the thematic centers.

Budgetary Needs

Secretary Margaret Heckler recently wrote in a letter to the Forsyth Dental Center, and I quote:

> "...We are well aware of the need to determine the extent of periodontal diseases and to find ways to prevent and control them. Oral soft tissue diseases, craniofacial anomalies, dental materials, pain, and behavior research are all investigative areas of needed public investment..."

In spite of the Secretary's support for dental research, the 1985 budget is not adequate even to meet inflation. The investment made in the National Institute of Dental Research, which as you know is the smallest NIH Institute, is paying off, as is evidenced by the substantial reduction in the prevalence of dental caries and the new knowledge about periodontal disease. We believe that the dental research community can and will continue to make progress toward solving the multitude of oral diseases confronting our society.

We are fully aware of the difficult budgetary pressures facing this Congress, and it is with this in mind that we respectfully request the Committee to provide a funding level of $108,290,000 for fiscal year 1985. This level will allow on-going research to continue, and it will allow for a balanced investment in all of the elements of a successful dental research program, namely, basic research, applied and clinical research, training, and technology transfer. Unless all of these elements are funded in a balanced manner, we believe the taxpayer underwriting this enterprise will not reap the benefits of his investment.

I thank you for this opportunity to testify, and I will be happy to answer any questions.

STATEMENT OF GERTRUDE ENGEL, HEALTH ADVOCATE, AMERICAN HEALTH EDUCATION FOUNDATION

Mr. Chairman and the illustrious members of the Appropriations Committee, I am Gertrude Engel.

I represent the American Health Education Foundation and our more than 600,000 readers. Also, Mr. Victor Earl Irons, our 89-year-old "Mr. America for Health" from Cottonwood, California. My previous commentaries were accepted and published (1980-1981-1982-1983) volumes as part of my research dedicated to health practices.

We are pleased to note that the fluoride issue remains under a Health and Human Services status functioning under a block grant program, giving states and local communities freedom of expression to accept or reject fluoridation.

We present our latest concepts and ask, please, that they be included in the record.

Fluoridation is seen as a possible menace.

The authorative Merck Index Eighth Edition, page 959, on sodium fluoride gives its use such as insecticide particularly for roaches and ants and inother pesticide formulations for the fluoridation of drinking water, frosting of glass, and by veterinarians for poultry lice and roundworms in swine.

Recently over television has been an advertisement about a dental rinse called Flourigard. On the bottle label it states "Active Ingredient" sodium fluoride (o.05 percent)."

.05 percent works out a shocking 500 parts per million, a 500 concentration as compared with one part per million. Such a highly toxic liquid should be withdrawn from the market immediately.

For a municipality to inflict on its citizens poison drinking water on a life-time basis, uncontroled as to dosage for babies, the sick, the old, the patient fighting for his life in hospitals, is not only a violation of civil rights, liberty and freedom, but an affront to compassion.

The U.S. Public Health Service has also warned that the ingestion of water containing more than two parts per million of fluoride (two milligrams of fluoride) is hazardous to children.

The Parent Teachers Association has condemned fluoridation by declaring that the alleged 75 percent tooth decay reduction in children has never been substantiated.

A question frequently asked, "Why don't we read anything in our local newspaper about the harmful effects of fluoridation?"

Answer: Certainly the press has a responsibility in the public interest to present the facts about fluoridation in an objective and unbiased manner. Adverse evidence from scientists in different fields has been coming in from many parts of the world for over thirty years, but this information has not reached the general public. Nor have they been told of the many fluoride "spills" which have occurred. Hundreds of people have suffered ill effects from fluoride overdose caused by machinery malfunction or human error. Some have died. One would expect that these serious accidents would have been reported in all the news media.

When a potentially dangerous substance such as fluoride is added to a public water supply, the burden must rest on those who add it to prove beyond question that it can do no harm of any kind to any consumer. This has not been done.

Sixty million dollars is spent each year on school-based fluoride mouthrinse programs for about 12 million children. That means $60 million is being spit down the drain.

Caries prevention by in-school fluoride mouth rinse and tablet programs, however, has not proved sucessful or sufficiently beneficial to justify further investment in them, according to the report of the present study.

STATEMENT OF DR. BENJAMIN D. SCHWARTZ, PRESIDENT-ELECT OF THE AMERICAN FEDERATION FOR CLINICAL RESEARCH

PREPARED STATEMENT

Senator WEICKER. We now move to the Division of Research Resources, and the first witness here is Dr. Benjamin Schwartz, president-elect for the American Federation for Clinical Research.

[The statement follows:]

STATEMENT OF DR. BENJAMIN D. SCHWARTZ

My name is Benjamin Schwartz. I am an associate professor of medicine at Washington University School of Medicine and an investigator of the Howard Hughes Medical Institute. I am also president-elect of the American Federation for Clinical Research (AFCR).

The AFCR is the largest clinical research organization in the world dedicated to the conduct of research aimed at the understanding and treatment of human disease. Its members possess the ability to apply new scientific knowledge to the clinical practice of medicine as well as to identify new problems requiring investigation.

It is important to understand that the nature of science requires long range planning and patience. The desire for a "quick return" combined with short-sighted attempts to resolve budgetary problems can only weaken what many have worked so hard to build. It requires decades of hard work and continued support to understand the nature of disease and realize the true benefits of research. For example, medical research has reduced the death rate from coronary heart disease by 30% since 1970; saving 148,000 lives and about $7.7 billion in 1982 alone. It has increased the survival rate of childhood cancer victims from 5% to 57% between 1962 and 1982. Today, the potential for new insights has never been greater and reasonable support for medical research would enable the pursuit of opportunities with respect to multiple sclerosis, allergic diseases, stroke, diabetes, cancer, and hepatitis to name a few.

The Administration is proposing a budget which includes only a 2% increase for the NIH in FY85. The AFCR recognizes the need to address the budget deficit, however, if I may quote Senator Weicker in a recent presentation to the National Institute of Arthritis, Diabetes and Digestive and Kidney Diseases; "There is no such thing as a good time for scaling down our commitment to biomedical research." Over the years, Congress has demonstrated such commitment, and we in the research community are committed to work which will improve the health status of millions of Americans. It is critical that the long term consequences of inadequate support not be overshadowed by short term benefits.

The AFCR would like to address the future support of biomedical research and the training of future investigators.

Extramural Grants

Extramural investigator-initiated grants support highly innovative basic and clinical research. The Administration's proposed budget continues to emphasize funding for 5,000 new and competing grants despite efforts to point out that this figure was intended as a minimally acceptable number of awards necessary to sustain the research enterprise. In fact, the 5,000 figure falls short of the 5,389 and 5,272 grants awarded in FY83 and 84 respectively. In addition to the lack of opportunity for growth due to this decline in real dollars, these 5,000 grants could only be funded by continuing to reduce negotiated direct costs for both competing and non-competing grants. There would be a further decline in the percentage of approved awards actually funded to an estimated 30%. An increasing amount of excellent science would go unfunded and more and more highly qualified scientists will be discouraged from pursuing research careers. Most importantly, these unfunded proposals represent lost opportunities with respect to the pursuit of scientific knowledge which impacts directly on our ability to improve health status in this country.

The AFCR recommends funding sufficient to make awards to at least 37% of approved research grant applications or to a minimum scientific priority score (i.e., cut-off point at which funds are made available) of 185. Funds should be awarded at study section recommended levels. It is important to note, however, that this recommendation would support only a fraction of the promising scientific proposals submitted to the NIH each year. The AFCR hopes that Congress will view this as only the first step toward achieving truly adequate support for our nation's biomedical research effort.

Research Training

The success and continued vitality of the biomedical research effort depends on the availability of excellent scientists. In the last two years, 10,570 trainees per year have been supported through the National Research Service Awards Program (NRSA). The Administration's budget would support only 9,000 trainees in FY85, considerably fewer than that recommended by the National Academy of Sciences (NAS). This decline has serious implications for both the quantity and quality of research to be conducted and threatens to destabilize the foundation of biomedical research in future years.

Compounding the problem is the seriously inadequate stipend level for trainees. Even with the planned 5% increase in FY85, trainees at the pre- and post-doctoral levels receive stipends which fall sharply below those provided by other Federal agencies in comparable programs. In fact, post-doctoral trainees' stipends are on the average, $5,000 to $6,000 below that which they receive at the residency level in most schools.

The AFCR would like to stress its support for this program and strongly urges that adequate funding not be jeopardized in the absence of renewal for the expiring authority for the NRSA program. We recommend funding for the NIH be sufficient to *support at least 10,518 research trainees in FY85 (consistent with the NAS recommendations) as well as an increase in stipends to a level more comparable to other Federal agencies.*

Career Development Awards provide incentives for clinical investigators with training in both medicine and basic research to pursue research careers. In FY84, 1,322 awards were made. The Administration's proposal would reduce that number by 57 to 1,265.

One type of Career Development Award is the Physician Scientist Award which provides training for physician investigators in acquiring research skills which will enable them to effectively apply new and emerging technologies in the clinical setting. This is particularly important in a time when the number of physician investigators is steadily declining. Illustrative of this problem is the fact that in FY81, only 2,894 of the 10,695 trainees were physicians.

In order to assure a continued flow of young clinicians into the research manpower pool, the AFCR recommends funding to support at least 1,500 Career Development Awards in FY85 with an appropriate increase in stipends associated with those awards.

General Clinical Research Centers (GCRCs) offer a mechanism through which young physicians can learn the techniques necessary to conduct patient oriented research--transferring scientific discoveries from the laboratory to the bedside. The Administration's proposal would necessitate an average negotiated cut of 5% in support for these centers. *The AFCR recommends that appropriations be made to permit full funding of GCRCs. In addition, the AFCR recommends funding to allow expansion of the Clinical Associate Physician Program to support at least one associate per center. This program enables outstanding young investigators to receive guided research experience under the auspices of the GCRC director.*

In conclusion, the AFCR urges a close examination of this far less than adequate proposal by the Administration. *We have joined with over 100 concerned organizations in recommending the addition of $647 million over the President's request for the NIH in FY85. This proposal provides sufficient funding to support the AFCR's recommendations and addresses other serious shortfalls in the Administration's budget request. The proposal is consistent with the Administration's recommendations for the research programs of other Federal agencies. (SEE ATTACHED)*

The AFCR hopes that we can continue to work together on behalf of a strong, continually productive research enterprise. Let us not endanger the future health of our nation by down-sizing the biomedical research effort in an attempt to resolve budgetary problems. On behalf of the AFCR, I thank you for your time and will be happy to answer any questions.

Dr. SCHWARTZ. Mr. Chairman, my name is Benjamin Schwartz, I'm the associate professor of medicine at Washington University and president-elect of the American Federation for Clinical Research, the AFCR.

The AFCR is the largest clinical research organization in the world, dedicated to the conduct of research aimed at the understanding and treatment of human disease. Its members supply new scientific knowledge to the clinical practice of medicine as well as to identify new problems requiring investigation.

The nature of science requires decades of hard work and continued support to understand the nature of disease and realize the true benefit of research. For example. Medical research has reduced the death rate from coronary heart disease by 30 percent since 1970, saving 148,000 lives and $7.7 billion since 1982 alone. It has increased the survival rate of childhood cancer victims from 5 to 57 percent from 1962 to 1982. The potential for new insights has never been greater and reasonable support for medical research would enable the pursuit of opportunities in multiple sclerosis, allergic diseases, stroke, diabetes, cancer, and hepatitis, to name a few.

The AFCR recognizes the need to address the budget deficit, however, it is critical that the long-term consequences of an adequate support cannot be overshadowed by short-term budgetary benefits. The AFCR would particularly like to address the future support of biomedical research and the training of future investigators.

Extramural investigator initiated grants support highly innovative basis and clinical research. The administrations proposed budget continues to emphasize funding for 5,000 new and competing grants, despite the fact that this figure was intended as a minimally acceptable number of awards necessary to sustain the research enterprise. In fact, the 5,000 figure falls short of the number of grants awarded in each of the past few years. Even these 5,000 grants could only be funded by continuing to reduce negotiated direct costs in both competing and noncompeting grants. There would be a further decline in the percent of approved awards actually funded to an estimated 30 percent. An increasing amount of excellent science will go unfunded and more and more highly qualified scientists will be discouraged from pursuing research careers.

Most importantly, these unfunded proposals represent lost opportunities with respect to the pursuit of scientific knowledge, which impacts directly on our ability to improve health status in this country. The AFCR recommends funding sufficient to make awards to at least 37 percent of approved research grant applications. And that funds be awarded at study section recommended levels. However, the AFCR hopes that Congress will view this as only the first step toward achieving truly adequate support for our Nation's biomedical research effort.

The success and vitality of the biomedical research effort depends on the availability of excellent scientists. In each of the last 2 years 10,573 needs have been supported by national research service awards. The administration's budget will support only 9,000 trainees, considerably fewer than the 10,518 recommended by the National Academy of Sciences. The decrease in the number of future investigators threatens to destablize the foundation of biomedical research, in future years. Compounding the problem is the seriously inadequate stipend level for trainees.

Even with the planned 5-percent increase in fiscal year 1985, trainees, at the pre and postoperative levels recieve stipends which fall sharply below those provided by other Federal agencies, in comperable problems.

The AFCR would like to stress its support for this program and strongly urges that adequate funding not be jeopardized in the abscence of renewal of the expiring authority of the NRSA program. We recommend funding for the NIH be sufficient to support at least 10,518 research trainees in fiscal year 1985.

Career developement award provide incentives for clinical investigators with training in both medicine and basis research, to persue research careers. In fiscal year 1984, 1,322 awards were made. The administration proposal would reduce the number by 57. The physician scientist award provides training for physician investigators to acquire research skills which will enable them to apply emerging technologies in the clinical setting. This is particularly important in a time when the number of physician investigators is steadily declining.

In fiscal year 1981, only 2,900 of 10,700 trainees were physicians. In order to assure a flow of young clinicians, into the research manpower pool, the AFCR recommends funding to support at least 1,500 career developement awards in fiscal year 1985, with appropriate increase in stipends associated with those awards.

Patient oriented research, the transfer of scientific discoveries from the laboratory to the bedside, is conducted in general research in general clinical research centers. The administration's proposal would necessitate an average negotiated cut of 5 percent in support of these centers.

The AFCR recommends that appropriations be made to permit full funding of GCRC's. In addition, the AFCR recommends funding to allow expansion of the Clinical Associate Program to afford at least one associate per center.

In conclusion the AFCR recommends a close examination of this far less than adequate proposal by the administration. We have joined with over 100 concerned organizations in recommending the addition of $647 million over the President's request of the NIH in fiscal year 1985. This proposal would provide sufficient funding to support the AFCR's recommendations, and addresses other serious shortfalls in the administration's budget request. The AFCR hopes that we can continue to work together on behalf of the strong, continuing productive research enterprise.

Let us not endanger the future health of our Nation by down sizing the biomedical research effort in an attempt to resolve budgetary problems. On behalf of the AFCR, I thank you for your time. I will be happy to answer any questions.

Senator WEICKER. Dr. Schwartz, thank you very much for your testimony.

STATEMENT OF DR. JOHN A. OATES, PROFESSOR AND CHAIRMAN, DEPARTMENT OF MEDICINE, VANDERBILT UNIVERSITY SCHOOL OF MEDICINE

PREPARED STATEMENT

Senator WEICKER. Dr. John Oates, professor and chairman, Department of Medicine, Vanderbilt University School of Medicine.

[The statement follows:]

STATEMENT OF DR. JOHN A. OATES

I AM DR. JOHN OATES, CHAIRMAN OF THE DEPARTMENT OF MEDICINE AT THE VANDERBILT UNIVERSITY SCHOOL OF MEDICINE. MY TESTIMONY IS ON BEHALF OF THE ASSOCIATION OF PROFESSORS OF MEDICINE (APM), THE ORGANIZATION THAT REPRESENTS THE CHAIRPERSONS OF DEPARTMENTS OF MEDICINE IN THE NATION'S MEDICAL SCHOOLS. WE APPRECIATE THIS OPPORTUNITY TO SHARE OUR VIEWS REGARDING FY 1985 FUNDING FOR THE NATIONAL INSTITUTES OF HEALTH (NIH). FUNDING FOR THE NIH IS OF GREAT IMPORTANCE TO THE MEMBERS OF APM BECAUSE WE ARE PHYSICIAN SCIENTISTS AND BECAUSE A SUBSTANTIAL PORTION OF THE EXTRAMURAL RESEARCH SPONSORED BY THE NIH IS CONDUCTED IN THE DEPARTMENTS WE CHAIR.

I WOULD LIKE TO BEGIN BY EXPRESSING OUR APPRECIATION TO THE MEMBERS OF THIS SUBCOMMITTEE FOR THEIR EFFORTS TO ASSURE ADEQUATE FEDERAL FUNDING FOR OUR NATION'S BIOMEDICAL RESEARCH ENDEAVOR. YOUR LEADERSHIP IN THIS AREA IS IN ACCORD WITH THE WISHES OF THE OVERWHELMING MAJORITY OF AMERICANS WHO HAVE INDICATED, THROUGH OPINION SURVEYS, THAT THEY SUPPORT INCREASED GOVERNMENT FUNDING FOR BASIC RESEARCH AND THAT THEY CONSIDER BIOSCIENCE TO BE THE NUMBER ONE FEDERAL RESEARCH PRIORITY. IN ADDITION, YOU HAVE SENT A POSITIVE MESSAGE TO THE RESEARCH COMMUNITY: THAT THE CONGRESS IS COMMITTED TO MAINTAINING THE MOMENTUM AND QUALITY OF TODAY'S EXCITING AND PROGRESSIVE RESEARCH EFFORT.

SINCE 1945, THE FEDERAL GOVERNMENT HAS BEEN THE PRIMARY SOURCE OF SUPPORT FOR BIOMEDICAL RESEARCH. THE WISDOM OF THIS PUBLIC INVESTMENT IS INDISPUTABLE WHEN ONE CONSIDERS SOME OF THE MAJOR ACHIEVEMENTS OF THE PAST THREE DECADES:

- IN 1949, NO SPECIFIC TREATMENTS EXISTED FOR POLIO OR SMALL POX. TODAY, THESE DREADED DISEASES HAVE BEEN ERADICATED ALMOST TOTALLY AS A RESULT OF THE DEVELOPMENT OF VACCINES.
- AS A RESULT OF IMPROVEMENTS IN CANCER THERAPIES, 17,411 FEWER CHILDREN DIED OF THE DISEASE BETWEEN 1965 AND 1979 THAN EXPECTED AT THE 1950 RATE. A RELATED DEVELOPMENT IS IMPROVED TREATMENT FOR HODGKIN'S DISEASE, WHICH IS MOST COMMON AMONG THE 15-34 AGE GROUP. THIRTY-FIVE YEARS AGO, THIS MALIGNANCY WAS CONSIDERED INCURABLE. 1980 STATISTICS REVEALED THE CURE RATE TO BE APPROXIMATELY 73%.
- WE ARE WITNESSING VAST IMPROVEMENTS IN OUR ABILITY TO TREAT CARDIOVASCULAR DISEASES. SINCE 1970, THE DEATH RATE FROM CORONARY ARTERY DISEASE HAS BEEN REDUCED BY 30% AND THE DEATH RATE FOR STROKE, BY 46%.
- IN THE MID-1960'S, INFANTS WEIGHING LESS THAN 2 POUNDS AT BIRTH USUALLY DID NOT SURVIVE. AS A RESULT OF INNOVATIONS IN THE FIELD OF NEONATAL CARE, TODAY, THE LIVES OF THESE INFANTS CAN BE SUSTAINED.

THESE ARE JUST A FEW EXAMPLES OF HOW WE HAVE BENEFITTED FROM BIOMEDICAL DISCOVERIES. CLEARLY, YESTERDAY'S BASIC RESEARCH INVESTMENTS HAVE BEGUN TO PAY OFF HANDSOMELY. HOWEVER, THIS MORNING, I WOULD LIKE TO DISCUSS THE EXTRAORDINARY POTENTIAL OF TODAY'S RESEARCH EFFORT AND THE PROSPECTS FOR ACHIEVING EVEN MORE DRAMATIC IMPROVEMENTS IN MEDICAL CARE.

AS THE CHAIRMAN OF THIS SUBCOMMITTEE HAS SO ELOQUENTLY STATED, "THERE IS NO SUCH THING AS A GOOD TIME FOR SCALING DOWN OUR COMMITMENT TO BIOMEDICAL RESEARCH." IN FACT, THE ASSOCIATION OF PROFESSORS OF MEDICINE BELIEVES THAT MORE THAN EVER BEFORE, NOW IS THE TIME TO EXPAND THAT COMMITMENT. A SUBSTANTIAL INCREASE IN THE NIH BUDGET WILL BE ESSENTIAL IN COMING YEARS IF WE ARE TO SUSTAIN AND BUILD UPON THE CURRENT EXPLOSION OF BIOSCIENTIFIC KNOWLEDGE. WITH ADEQUATE FUNDING, WE CAN PURSUE PROMISING SCIENTIFIC LEADS THAT MAY REVOLUTIONIZE OUR ABILITY TO TREAT LITERALLY THOUSANDS OF THE DISEASES THAT PLAGUE MANKIND. THROUGH THE USE OF THE FOLLOWING EXAMPLES, I HOPE TO ILLUSTRATE THE ENORMOUS IMPLICATIONS OF SOME RECENT DISCOVERIES:

- FURTHER STUDIES ON GENE "MAPPING" MAY LEAD TO OUR ABILITY TO DIAGNOSE AND TREAT GENETIC DISEASES. TO DATE, SCIENTISTS HAVE IDENTIFIED THE LOCATION OF GENES OR "MARKERS" FOR GENETIC DEFECTS RESPONSIBLE FOR MORE THAN A DOZEN INHERITED DISORDERS. BY 1990, THEY HOPE TO LOCATE THE CAUSES OF MORE THAN 3,000 INHERITED DISEASES SUCH AS SICKLE CELL ANEMIA AND TAY-SACH'S DISEASE. ONE MAJOR DEVELOPMENT IN THIS AREA WAS THE DISCOVERY, THROUGH NIH-SPONSORED RESEARCH, OF A MARKER FOR HUNTINGTON'S DISEASE -- A FATAL MENTAL AND NEUROLOGICAL ILLNESS. THIS MAY LEAD TO THE PRE-SYMPTOMATIC DIAGNOSIS OF THE DISEASE -- PARTICULARLY IMPORTANT BECAUSE THE SYMPTOMS USUALLY APPEAR AFTER THE AGE OF 30, BY WHICH TIME THE PATIENT MAY ALREADY HAVE CHILDREN WHO HAVE A 50-50 CHANCE OF INHERITING THE DISORDER.
- ANOTHER EXCITING DISCOVERY IN THE FIELD OF GENETICS IS THE IDENTIFICATION OF ONCOGENES -- GENES THAT APPEAR TO CAUSE THE MALIGNANT TRANSFORMATION OF NORMAL CELLS. THIS DISCOVERY MAY LEAD TO IMPROVED TREATMENTS OR METHODS FOR PREVENTING THE DISEASE, WHICH STRIKES MORE THAN 850,000 AMERICANS EACH YEAR. EVENTUALLY, SCIENTISTS MAY BE ABLE TO DEVELOP DRUGS THAT WILL INHIBIT ONCOGENES WITHOUT AFFECTING NORMAL CELL TISSUE. THIS WOULD BE A VAST IMPROVEMENT OVER CURRENT THERAPIES THAT ELIMINATE CANCEROUS CELLS BUT, UNFORTUNATELY, DESTROY NORMAL TISSUES AS WELL.
- IN ANOTHER IMPORTANT AREA, SCIENTISTS HAVE MADE SIGNIFICANT DISCOVERIES ABOUT THE PHYSIOLOGICAL BASIS OF IMMUNITY TO DISEASE AND THE CAUSES OF ABNORMAL IMMUNE FUNCTION. THIS NEW INFORMATION IS LIKELY TO ACCELERATE THE DEVELOPMENT OF VACCINES AGAINST INFECTIOUS DISEASES SUCH AS ACUTE PEDIATRIC GASTROENTERITIS, ONE OF THE FIVE LEADING CAUSES OF CHILDHOOD DEATHS IN THE UNITED STATES. IN ADDITION, IT MAY ENHANCE OUR ABILITY TO TREAT

THE HOST OF DISEASES KNOWN TO BE CAUSED OR EXACERBATED BY ABNORMAL RESPONSES OF THE IMMUNE SYSTEM. THESE INCLUDE MULTIPLE SCLEROSIS, LUPUS ERYTHEMATOSUS, AND SOME FORMS OF ARTHRITIS.

- IMMUNOLOGICAL RESEARCH HAS ALSO IDENTIFIED SUBSTANCES CALLED "HISTOCOMPATIBILITY ANTIGENS" THAT TRIGGER THE REJECTION OF A TRANSPLANTED ORGAN. A GREATER UNDERSTANDING OF THE GENETIC CONTROL OF THESE SUBSTANCES WILL LEAD TO AN IMPROVED SUCCESS RATE FOR ORGAN TRANSPLANTATIONS.

THERE ARE MANY OTHER EXAMPLES OF IMPORTANT DISCOVERIES THAT HAVE CONTRIBUTED TO THIS "ERA OF BIOLOGY" THAT WE ARE EXPERIENCING. THE DEVELOPMENT OF POSITRON EMISSION TOMOGRAPHY IS ENABLING SCIENTISTS TO OBSERVE THE HUMAN BRAIN AND LEARN MORE ABOUT DISORDERS SUCH AS EPILEPSY AND ALZHEIMER'S DISEASE. STUDIES OF THE HUMAN T-CELL LEUKEMIA VIRUS ARE LEADING TO A GREATER UNDERSTANDING OF SOME FORMS OF CANCER AS WELL AS ACQUIRED IMMUNE-DEFICIENCY YNDROME, COMMONLY KNOWN AS AIDS. IN FACT, NIH SCIENTISTS HAVE IDENTIFIED A NEW FORM OF THE VIRUS THAT APPEARS TO CAUSE AIDS. IF THESE RESULTS ARE CONFIRMED, A BLOOD TEST MAY BE DEVELOPED TO SCREEN DONORS SO THAT THE VIRUS WILL NOT BE SPREAD THROUGH BLOOD TRANSFUSIONS.

THE LIST OF NEW AVENUES TO EXPLORE SEEMS LIMITLESS. UNFORTUNATELY, THE EXTENT TO WHICH WE CAN PURSUE THESE PROMISING LEADS IS SEVERELY LIMITED BY BUDGETARY CONSTRAINTS. AS CHAIRPERSONS OF DEPARTMENTS OF MEDICINE, THE MEMBERS OF APM ARE WITNESSING THE FRUSTRATION OF MANY TALENTED YOUNG SCIENTISTS, AS WELL AS SOME DISTINGUISHED SENIOR INVESTIGATORS, WHO HAVE APPLIED FOR NIH FUNDING, RECEIVED EXCELLENT PRIORITY SCORES FOR THEIR PROPOSALS, BUT HAVE NOT EEN FUNDED DUE TO THE LIMITS OF A CONSTRAINED NIH BUDGET. FOR EXAMPLE, SCIENTISTS IN ONE DEPARTMENT OF MEDICINE APPLIED FOR FUNDING TO STUDY THE PROTEINS THAT ARE ESSENTIAL FOR THE TRANSPORT AND METABOLISM OF FAT AND CHOLESTEROL IN THE BLOOD. THIS RESEARCH IS ON THE CUTTING EDGE OF A GREATER UNDERSTANDING OF ARTERIOSCLEROSIS, COMMONLY KNOWN AS HARDENING OF THE ARTERIES. ARTERIOSCLEROSIS IS THE UNDERLYING CAUSE OF VIRTUALLY ALL CASES OF CORONARY ARTERY DISEASE, INCLUDING THE 1.5 MILLION HEART ATTACKS SUFFERED EACH YEAR IN THIS COUNTRY ALONE. IT IS THE DISORDER THAT NECESSITATES THOUSANDS OF EXPENSIVE CORONARY BYPASS OPERATIONS ANNUALLY. UNFORTUNATELY, WE APPEAR TO HAVE LOST AN OPPORTUNITY TO UNCOVER NEW INFORMATION ABOUT THIS OFTEN FATAL CONDITION. THIS PARTICULAR PROPOSAL RECEIVED AN EXCELLENT PRIORITY SCORE BUT WAS BELOW THE PAYLINE TO WHICH THE NIH WAS ABLE TO PROVIDE SUPPORT AND, THEREFORE, WAS NOT FUNDED. I WISH I COULD TELL YOU THAT THIS WAS MERELY AN ISOLATED INCIDENT. HOWEVER, SUCH IS NOT THE CASE. MANY EXCELLENT RESEARCH PROPOSALS ARE GOING UNFUNDED AND WE ARE LOSING SOME IMPORTANT SCIENTIFIC OPPORTUNITIES. AND, What of the scientists themselves? We can only hope that they will not be discouraged from careers in research. Likewise, we must hope that aspiring young investigators will not be alienated as they observe the frustration of their mentors and learn of the unhealthy level of competition for research support.

To summarize, the good news is that we have an abundance of outstanding scientific ideas and leads as well as a cadre of talented biomedical scientists eager to conduct some truly promising studies. It is particularly unfortunate that funding has become limited during this period that has the potential to be the most productive in the history of bioscientific investigation. Although the NIH budget appears to have grown substantially in recent years, a closer inspection reveals that between 1973 and 1983, it increased only 5% in terms of constant dollars. I can assure you that scientific opportunity is expanding at a much more rapid pace.

This frustrating imbalance would only be exacerbated under the Administration's FY 1985 budget, which proposes a mere 2% increase for NIH -- a level of funding defended on the basis of the need to reduce government spending and decrease the Federal deficit. However, this policy does not seem to apply to the R&D programs of other agencies. A careful review of the proposed budget demonstrates clearly that the Administration believes that the Federal government can afford to strengthen its research programs. Unfortunately, the importance of the biomedical sciences appears to have been overlooked.

Particularly in times of fiscal constraint, it is important to establish funding priorities. However, I believe the members of this Subcommittee share our dismay regarding the Administration's approach to the allocation of Federal research support. In addition, I would remind you that the Administration's priorities for research remain at odds with those of the American people. Accordingly, we urge you to consider a substantial increase over the President's FY 1985 budget request for NIH so that biomedical research will receive a more appropriate share of the Federal R&D budget. The APM has endorsed the recommendations in the attached document entitled, "Health Research: A Proposal for Fiscal Year 1985." Specifically, we advocate a minimum increase of $647 million over the Administration's FY 1985 NIH budget request. We believe such an increase will be necessary if we are to sustain the strength of the NIH effort and assure the training of an adequate supply of future investigators. The activities to be supported by this alternative budget are listed on page 4. I would point out that even under this proposal, many excellent research projects would go unfunded. An additional $125 million over the recommended $647 million increase would be necessary to fund

TO A PRIORITY SCORE OF 200 (ON A SCALE OF 100-500) SO THAT ALL OUTSTANDING APPLICATIONS COULD RECEIVE SUPPORT. CLEARLY, WHAT WE ARE RECOMMENDING IS THE VERY MINIMUM INCREASE NECESSARY TO PROVIDE A STABLE PROGRAM OF INVESTIGATOR-INITIATED RESEARCH AND ASSURE ADEQUATE SUPPORT FOR OTHER IMPORTANT NIH PROGRAMS, INCLUDING THE TRAINING OF FUTURE INVESTIGATORS.

TO RECAPITULATE, A SUBSTANTIAL INCREASE IN THE NIH BUDGET WILL BE ESSENTIAL IN COMING YEARS IF WE ARE TO SEIZE SCIENTIFIC OPPORTUNITY AND IMPROVE OUR ABILITY TO PREVENT, DIAGNOSE, AND TREAT HUMAN DISEASE. AND, AS BENJAMIN DISRAELI ONCE WROTE, "THE HEALTH OF THE PEOPLE IS REALLY THE FOUNDATION UPON WHICH ALL THEIR HAPPINESS AND ALL THEIR POWERS DEPEND." AN NIH BUDGET IN EXCESS OF $5.2 BILLION MAY APPEAR TO BE A SUBSTANTIAL EXPENDITURE UNTIL ONE CONSIDERS THE ECONOMIC COSTS OF DISEASE: $10 BILLION PER YEAR FOR DIABETES; $25 BILLION ANNUALLY FOR ARTHRITIS AND RELATED DISEASES; $50 BILLION EACH YEAR FOR DIGESTIVE DISEASES! CONSIDER THE SAVINGS THAT CAN BE ACHIEVED IN ECONOMIC AS WELL AS HUMAN TERMS IF WE CAN CONQUER THESE DEBILITATING DISORDERS. THE ASSOCIATION OF PROFESSORS OF MEDICINE RECOGNIZES THAT BUDGETARY DECISIONS MUST BE MADE IN THE CONTEXT OF THE NEED TO REDUCE FEDERAL SPENDING AND STRENGTHEN OUR ECONOMY. HOWEVER, AGAIN IN THE WORDS OF THE DISTINGUISHED CHAIRMAN OF THIS SUBCOMMITTEE, WE URGE YOU TO DEVELOP "A BUDGET THAT REFLECTS NOT JUST THE GRIM ECONOMIC REALITIES WE FACE TODAY BUT ALSO OUR CAPACITY TO CREATE A BETTER LIFE FOR FUTURE GENERATIONS."

Dr. OATES. Mr. Chairman, my testimony is on behalf of the Association of Professors of Medicine, an organization that represents the chairpersons of the departments of medicine in the Nation's medical schools.

I'd like to begin by expressing our appreciation to the members of this subcommittee for their effort to assure adequate Federal funding for our clinical research endeavor. Your leadership in accord with the wishes of the overwhelming majority of Americans who have indicated, through opinion surveys that they support increased Government funding for basic research and that they consider bioscience to be the No. 1 Federal research priority.

This morning I would like to discuss the extraordinary potential of today's research effort and the prospects for achieving even more dramatic improvements in medical care through this effort. As you have so eloquently stated, there is no such thing as a good time for scaling down our commitment to biomedical research. In fact, the Association of Professors of Medicine believes that now, more than ever before is the time to expand that commitment. A substantial increase in the NIH budget will be essential, in the coming years, if we are to sustain and build upon the current explosion in scientific knowledge.

With adequate funding we can pursue promising scientific leads that may revolutionize our ability to treat literally thousands of diseases that plague mankind.

Through a few examples, I hope to illustrate the enormous implications of some recent discoveries. Studies of gene mapping may lead to our ability to diagnose and treat a number of genetic diseases. To date, scientists have identified the locations of the genes, or markers, for genetic defects responsible for more than a dozen inherited diseases. By 1990 they hope to locate the causes of more than 3,000 inherited diseases, such as sickle cell anemia and Tay-Sach's disease.

Another exciting discovery in the field of genetics is the identification of oncogenes, that appear to cause malignant transformation of normal cells. This discovery may lead to improved treatments or methods for preventing the disease which strikes more than 850,000 annually.

In another important area, scientists have made significant discoveries about the physiologic basis of immunity and the causes of abnormal immune function in disease. This new information is likely to accelerate the developement of vaccines against infectious diseases such as acute pediatric gastroenteritis, which is one of the leading causes of childhood death.

Positron emission tomography is enabling scientists to observe the human brain's function and learn more about diseases such as epilepsy and Alzheimer's disease. Studies of the T-lymphotrophic retro-viruses are leading to a greater understanding of some forms of cancer, as well as acquired immune deficiency syndrome, commonly known as AIDS. In fact, NIH scientists have identified a new form of the virus that is linked to AIDS. If these results are confirmed, a blood test may be developed to screen donors, so that the virus will not be spread through blood transfusions.

The list of new avenues to explore seems limitless, but, unfortunately, the extent to which we can pursue these promising leads is severely limited by current budgetary constraints. The chairpersons of departments of medicine are witnessing a frustration of many talented young scientists, as well as some distinguished senior scientists, who have applied to NIH for funding and have received excellent evaluations and priority scores for their proposals, but have not been funded, due to limits of the constrained NIH budget. For an example, a scientist in one department of medicine applied for funding to study the proteins that are essential for the transport and metabolism of fat and cholesterol in the blood. This research deals with a greater understanding of arteriosclerosis. Unfortunately, we appear to have lost this opportunity to uncover new information about this often fatal condition. This particular proposal received an excellent priority score, but was below the pay line to which the NIH was able to provide support and, therefore, was not funded.

This is not an isolated incident. Many excellent research proposals are going unfunded and we're losing some exciting scientific opportunities. It's particularly unfortunate that funding has become limited, during this period, that has the potential to be the most productive in the history of bioscientific investigations. Between 1973 and 1983, the NIH budget increased only 5 percent in terms of constant dollars. I can assure you that scientific opportunities are expanding at a much more rapid pace.

This frustrating imbalance would only be exacerbated under the administration's budget, which proposes a mere 2-percent increase for NIH, a level of funding defended on the basis of need to reduce Government spending and decrease the deficit. However, this policy does not seem to apply to R&D programs in other agencies. Growth with 6 to 11 times this amount is proposed for research and developement in energy, enviornmental protection, defense, NASA and the National Science Foundation. Compared to which, the administration proposal would uniquely constrain health research.

It's important to establish funding priorities. However, I believe the members of this subcommittee share our dismay regarding the administration's approach to allocation of Federal research support. And these priorities remain at odds with those of the American people. Accordingly, we urge you to consider a substantial increase over the President's budget request for NIH, so that biomedical research will receive a more appropriate share of the Federal R&D budget.

Specifically, we advocate a minimum increase of $647 million over the administration's NIH budget request. An NIH budget in excess of $5.2 million may appear to be a substantial expenditure, until one considers the economic cost of disease. This research effort is aimed at the prevention and cure of diseases that consume a major share of the national revenue. Viewed in this light, it is a wise investment in future fiscal solvency.

Thank you.

Senator Weicker. Dr. Oakes, thank you very much.

STATEMENT OF DR. RONALD D. HUNT, PROFESSOR OF COMPARATIVE PATHOLOGY, DIRECTOR, NEW ENGLAND REGIONAL PRIMATE RESEARCH CENTER

PREPARED STATEMENT

Senator Weicker. Dr. Ronald Hunt, professor of comparative pathology, director, New England Regional Primate Research Center.

[The statement follows:]

STATEMENT OF DR. RONALD D. HUNT

I am Dr. Ronald D. Hunt, Professor of Comparative Pathology at the Harvard Medical School and Director of the New England Regional Primate Research Center. I am here representing the seven Regional Primate Research Centers located across the Nation.

Firstly, I wish to thank this Committee for recognizing the needs of this program by providing 1 million dollars last year toward a renovation program to improve the quality of these animal research resources. I thank the Committee for the time they have given to reviewing this program and their wisdom and action in supporting medical research in general. I hope that this is just the beginning of long range planning for the Primate Centers. The Committee should remain aware that the current appropriation for the Primate Centers Program is $8.68 million dollars below the N.I.H. recommended budget determined through the peer review process. I also stress that the appropriation covers all costs for the program, to include heat, light, administration, snow removal and so forth. Further, a survey conducted this year has identified that needs for facilities improvement exceed $13 million dollars.

The Primate Centers Program has been very successful. Our understanding and knowledge of non-human primates has advanced at a phenomenal rate and continues to do so, but there is much more to learn. Research on primates is contributing to our understanding of many human diseases of National and International importance. A few of these are highlighted in the accompanying special report, "Toward Better Health", in the January 1984 issue of Primate News. They include hypertension (high blood pressure), atherosclerosis or hardening of the arteries, heart attacks, hepatitis, diabetes, leprosy, malaria, herpesvirus infections, cancer, and acquired immunodeficiency syndrome or AIDS, to mention but a few. Many of these studies have been described to this Committee in previous testimony.

Let me briefly comment on two very exciting studies conducted at my Center which have not been related to you. This past year a collaborative study with the Dana-Farber Cancer Institute has uncovered a very promising therapeutic program for sickle cell anemia. Sickle cell anemia is an extremely common and usually fatal disease of the black population. It is transmitted by an autosomal recessive hereditary trait whose frequency in American blacks is one in ten. It is a dreadful disease with a painful death. We reported just this month in the New England Journal of Medicine that hydroxyurea, a well-established and easily tolerated chemotherapeutic agent, can alter the hemoglobin molecule in red blood cells and prevent their distortion or sickling. This is not going to resolve the disease but will hopefully provide a more effective treatment than currently exists and pave the way for even better therapeutic programs. This finding could not have been accomplished without primate studies. Already there is a collaborative clinical trial in patients at the Johns Hopkins University Hospital, the National Institutes of Health and Childrens Hospital Medical Center at the Harvard Medical School.

Another collaborative study between the Harvard Medical School and the Rockefeller University has developed a nonhuman primate model of myopia or near sightedness. Although this condition is not life threatening, do you realize that 25% of our population has this developmental anomaly? The cause and mechanism are not yet understood and progress is unlikely without an animal model in which the refractive error can be produced and manipulated experimentally. A model is now in hand and has already led to a new hypothesis on this disease.

These two programs also illustrate the unique and very important role the Centers have as resources for the entire biomedical community . At my Center alone there are presently 122 investigators from 40 institutions conducting independent or collaborative programs at the Center.

I ask the Committee to continue their support of this exciting research program and valuable National resource. With the $13+ million dollars in identifiable renovation requirements and current appropriation of $8+ million dollars below authorized level, I do not find it unrealistic to ask that the appropriation include a 10% increase in operating budget and a continuation of the innovative program initiated by Congress last year by providing an additional

$2 million towards our long term facilities improvement program. My total request for both programs is $24,653,400 ($22,653,400 operating plus $2,000,000 renovation), in contrast to the President's budget of $21,818,000 which included $1,000,000 for renovations and an almost non-existent 1% increase in operating budget.

This is a modest request and a small cost to both preserve the investment we have already made and continue a most productive program.

Attachments:

Summary of Budget Recommendations

Primate News, January 1984: "Special Report, Toward Better Health: The Role of Primates in Medical Research".

SUMMARY OF BUDGET RECOMMENDATIONS

FOR PRIMATE RESEARCH CENTER PROGRAM

	N.I.H. COUNCIL APPROVED	CURRENT FY 83-84	PRESIDENT'S BUDGET FY 84-85	REQUEST FY 84-85
Base	$29,277,755	$20,594,000	$20,818,000	$22,653,400
Renovation Program		1,000,000	1,000,000	2,000,000
Total	$29,277,755	$21,594,000	$21,818,000	$24,653,400

(Clerk's Note.—Additional information is being retained in the subcommittee files.)

Dr. HUNT. Good morning, Mr. Chairman.

I am Ronald Hunt. I am a veternarian, a professor of pathology at the Harvard Medical School and director of the New England Regional Primate Research Center.

I'm here speaking for the seven primate research centers, located across our Nation. I'd like to first thank this committee for recognizing the importance of this program and their working with your brother committee in the House in providing $1 million last year for much needed renovations in Government built and sponsored facilities which are now 20 years old. I sincerely hope that this is just the beginning of some long-range planning for this program.

I would like to stress to the committee that the current appropriation for the Primate Centers Program is almost $9 million below the recommended budget established by National Institutes of Health, in their peer review process. I'd also like to stress that the appropriation includes all costs for this program. That includes what we usually associate with indirect costs, heat, light, and so forth.

The program has been exceedingly sucessful. Our knowledge of primates has expanded at a phenomenal rate, continues to do so, so we have much more to learn. Many of these species are endangered. They are principally endangered through expansion of civilization. And, without research to understand how to breed, keep them well, many will surely go extinct.

Beyond that, the program is contributing to many important ailments of human beings, both of national and international significance. Ailments of interest to all the categorical interests of the National Institutes of Health. There are studies of heart disease, cancer, diabetes, hypertension, acquired immune deficiency disease, just to name a few.

I might mention that just this past week, two of the centers have been contacted by the National Institutes of Health, to participate in studies of the newly isolated virus, that was announced at a news conference here in Washington, just this week. Let me share with you one very exciting program which we have not yet related to you. Just this past year, in studies, in collaboration with the dean of Harvard Cancer Institute, in Boston, we have reported some very promising therapeutic programs for sickle cell anemia. Sickle cell anemia is a very dreadful disease, that principally affects our black population. It is a hereditary disease and 1 in 10 American blacks carry the trait for this disease. It's usually fatal and means a very painful death. We've just reported a very simple drug, hydroxyurea, can give remarkable therapeutic advantage to these patients. Before, there were very few good treatments. This has already led to a collaborative clinical trial at Johns Hopkins University, the National Institutes of Health, and Children's Hospital in Boston. To stress the importance of this finding, it was accepted for publication in the New England Journal of Medicine, a most prestigious medical journal. To my knowledge, only one other animal research study has ever appeared in this journal.

Another program, just to indicate the scope, and how many others are affected, you've heard from the Eye Institute today. Studies being conducted at my center, in collaboration with the Rockefeller University, have led to many new hypothesis concerning myopia or nearsightedness. Although this is not life threatening, it is not understood, and 25 percent of Americans are affected by this abnormality. These studies, I believe, will very likely lead to preventive measures. These two studies I've mentioned also illustrate the unique aspect of primate research centers. They are national resources, open to the entire biomedical community. At my center alone, we have over 122 investigators from 40 different institutions, conducting studies. This includes Yale, the University of Connecticut, Brown, Tufts, Boston University, Rockefeller University, University of Chicago, just to mention a few.

These studies, sponsored by the National Institutes of Health, identified $13 million in renovation needs in these facilities. This, coupled with an appropriation of almost $9 million below that recommended by the National Institutes of Health, at my request for a 10-percent increase, and continuation of your innovative idea of last year for continued renovation needs, represents a very modest request, at certainly a very small cost to what has been a very productive program. A very small cost to preserving the investment that this committee and the taxpayers have made over the last two decades.

I thank you.

Senator WEICKER. Thank you very much, Doctor. I appreciate your testimony.

STATEMENT OF DR. HAROLD F. HARDMAN, PRESIDENT, FEDERATION OF AMERICAN SOCIETIES FOR EXPERIMENTAL BIOLOGY

PREPARED STATEMENT

Senator WEICKER. The next witness is Dr. Harold Hardman, President of the Federation of American Societies for Experimental Biology.

[The statement follows:]

STATEMENT OF HAROLD F. HARDMAN

Mr. Chairman, members of the subcommittee, my name is Harold Hardman. I am professor and chairman of the Department of Pharmacology and Toxicology at the Medical College of Wisconsin in Milwaukee.

I am happy to have the opportunity to appear before you today as the president of the Federation of American Societies for Experimental Biology. The seven learned societies comprising the federation represent basic research disciplines in the biological and medical sciences and have an aggregate membership of 28,000 research scientists. Over the years a total of 102 members of the federated societies have been awarded the Nobel Prize.

We are delighted to have this opportunity to present our views on the President's fiscal year 1985 budget proposal for the National Institutes of Health. Of course, 4 minutes does not provide us the time this morning to go into depth. Therefore, we will accept your kind invitation to submit a more comprehensive statement for the record, and focus today on the No. 1 priority in the NIH budget as it affects basic research—namely, the investigator-initiated research grant.

Mr. Chairman, this subcommittee and your congressional colleagues have been most kind to basic research throughout the years. You have recognized the fact that the competing and noncompeting Research Grant Program is the No. 1 priority for NIH. Indeed, our Nation's ability to search for new knowledge in the war against sickness and disease is defined by the breadth and scope of the Research Grant Program.

A careful reading of the President's 1985 NIH budget proposal leads the federation to only one possible conclusion—the end of the war on disease is viewed to be almost over and we can all begin to think about demobilizing. The President's budget would provide NIH with only 5,000 new and competing grants, a drop of almost 300 grants from this year. By funding only 5,000 new grants, only 30 percent of excellent, approved research proposals would be funded. In addition, cuts in the direct costs of both competing and noncompeting grants would be necessary, thus contracting the scope of the science that could be undertaken.

We agree fully with the basic premise in the President's budget submission that "additional support for basic research is based on the premise that the long-term economic strength of the Nation and continued improvement in the well-being of its citizens requires a sustained investment in basic scientific research * * *."[1] Why then, we ask, is the administration recommending less than a cost-of-living increase for NIH basic research, and indeed, a reduction in our ability to conduct a healthy, vital medical research enterprise? A budget which does not even keep up with inflation cannot be fairly called "a sustained investment in basic scientific research."

The basic researchers who make up the membership of the federation—physiologists, biochemists, pharmacologists, pathologists, nutritionists, immunologists, and cell biologists—come before you today to declare that the war against disease is only beginning. It is not time to demobilize or retreat. It is time to press on. A recent Harris survey confirms that the American public agrees with our sentiment that Government funding for basic research should be increased by a sizable amount.

We know that the cost of a first-rate research enterprise is high. According to Dr. James Wyngaarden, current Director of the NIH, an adequate level of support for the entire research enterprise can only be achieved if the momentum of discovery is preserved. He has stated that an optimal level for progress can be achieved if 45 to 50 percent of approved applications for research support are funded.[2]

As you are aware, Mr. Chairman, the ad hoc group for medical research funding, a coalition of more than 100 organizations, has prepared a budget proposal for NIH and ADAMHA spending for fiscal year 1985. The federation supports the efforts of the ad hoc group, and concurs with the group's recommendation that a minimum of 6,200 new and competing research grants be funded in fiscal year 1985. This will increase the costs for new and competing grants by only $184 million of a total NIH budget of amost $5 billion—indeed, a very small concession to the agreed preeminence of the individual research grant as the spearhead of progress and the top priority in all biomedical research.

A minimum of 6,200 new grants is, we realize, only a beginning. In contrast to the President's budget request, the ad hoc proposal provides sufficient funding for 37 percent of approved research grant applications. Even the ad hoc request falls far short of what is needed in the long run. We realize, however, that the current shortfall in basic biomedical research cannot be totally alleviated in 1 year, nor can funding decisions for basic research be made without due consideration of the massive deficit facing the Federal Government.

By funding a minimum of 6,200 new and competing research grants, this Congress would send a strong message to those Americans who strongly believe in basic research—that this Nation is one that cares about conquering the riddles of illness and disease.

Thank you. I would be happy to answer any questions you may have.

Dr. HARDMAN. Mr. Chairman, members of the subcommittee, my name is Dr. Harold Hardman. I'm professor and chairman of the Department of Pharmacology at the Medical College of Wisconsin, located in Milwaukee.

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[1] Budget of the U.S. Government, fiscal year 1985; Special analysis K.

[2] Wyngaarden, "Nurturing the Scientific Enterprise," *SCIENCE*, January 27, 1984, p. 361.

I am happy to appear before you today as President of the Federation of American Societies for Experimental Biology. The seven learned societies comprising the federation represent basic research disciplines in the biomedical sciences. We have an aggregate membership of 28,000 scientists who are elected to membership based upon the high quality of their research publications.

The federation was established in 1912, and since that time, 102 of our members have been awarded the Nobel Prize for their distinguished work. This remarkable record of achievement would not have been possible without the support of this committee and your congressional colleagues, who have appropriated dollars to the NIH to support biomedical research.

In order to provide this Nation with the best possible health care, we must maintain a vigorous health program. In order to do this, we must provide attractive conditions to induce some of our brighter young people to follow careers in the health sciences. Dr. Schwartz and Dr. Oakes have just given you detailed information about specific issues why we need more money to support biomedical research. They have recommended that the President's budget for NIH be increased by $647 million. I agree with this recommendation, but, I want to deviate, at this point, Mr. Chairman, if I can, from my testimony that I submitted and add a few comments about the human side of the biomedical research problems.

Most of you realize that it takes about 4 years of college and 4 years of postcollege training to become a Ph.D. or an M.D. This is the beginning of a career in biomedical research. The average investigator spends an additional 6 years as a postoperative fellow. We're looking at a time span of 14 years in preparation for a career as an investigator or biomedical researcher. These are vigorous years, the income is not very high. But, we still have people who want to do this with their life. They are dedicated to the concept of being a researcher. What happens, though, to them, is that after they get their first grant, and I would emphasize to you, that in 1982, of the 5,000 grants that were awarded, only 400 of them went to young individuals who were receiving their first NIH grant. But, I can tell you what's going to happen to them, because, in 8 years 50 percent of them will no longer have NIH support. That's a very short career, Mr. Chairman, for someone who has spent 14 years in university training, and gets to practice for about 8 years.

I think we have a major problem, and we have to do something about it. The established investigator faces a very similar problem. I have been funded continuously by the Heart, Lung and Blood Institute, for the last 20 years. But, every 3 years I face renewal. My grant goes before my peers, and I know, based upon recent records, that about a third of those grants that are approved and recommended for funding will actually receive an award.

It's a bit disconcerting to me, because, as I look at my own research group, it has been built carefully over a 20-year period, we are ready to do things, we have been productive, but, we have no assurance that we will be funded in the future.

I think that Dr. Wyngaarden, Director of the NIH, has made a good suggestion, in that he recommended that we should be able to award about 50 percent of those research grants that are recommended for funding. That would certainly provide a more realistic probability factor for people like myself, our young individuals, who are trying to decide about following a career in biomedical research.

FASEB supports the recommendation of the ad hoc group for medical research funding, which states that we should increase, in fiscal year 1985, the minimum number of research grants from 5,000 to at least 6,200. We also want to gain the support of Congress in working toward a 50-percent award rate. I think this is a realistic award rate that will keep good people in biomedical research. But, we recognize that we can't afford it all at once.

I will be pleased to answer any questions you have.

Senator WEICKER. Thank you very much doctor.

STATEMENT OF JOHN E. McARDLE, PH.D., DIRECTOR OF LABORATORY ANIMAL WELFARE, THE HUMANE SOCIETY OF THE UNITED STATES

PREPARED STATEMENT

Senator WEICKER. Dr. John McArdle, director of the Laboratory Animal Welfare Humane Society of the United States.

Doctor, good morning, your complete statement will be made a part of the record.

[The statement follows:]

STATEMENT OF DR. JOHN MCARDLE

Mr. CHAIRMAN, I am Dr. John McArdle, Director of Laboratory Animal Welfare for the Humane Society of the United States and a research scientist with over eight years experience using nonhuman primates and other laboratory animals in biomedical research. I am pleased to have this opportunity to speak to you on behalf of The HSUS, our more than 250,000 constituents and a large number of taxpayers who are becoming increasingly concerned about federal funding of irrelevant, inhumane or redundant research involving laboratory animals. Further, we are concerned about the apparent lack of interest from the NIH in developing and implementing alternatives to the traditional animal models used in biomedical research.

Although we are not opposed to legitimate research, we strongly disagree with the NIH and the biomedical research community on what constitutes adequate justifications, standards of performance, protection and use of alternatives to laboratory animals. Laboratory animals are utilized in basic research, product safety testing and education. With the possible exception of the final stages of training in micro-vascular surgery, alternatives are now available for each of the traditional uses of animals in educational demonstrations. The basic need in education is for more: (1) awareness of the available alternatives, (2) innovative approaches to learning and (3) a change in attitudes of the respective faculty.

Many of the standard toxicity tests, such as the classical LD50, are now recognized as providing little, if any, useful information for medical diagnosis, treatment or prediction of risks from human exposure to toxic substances. For humans, the classical LD50 provides no information regarding: (1) the poisonous dose of a substance, (2) the prediction of poisoning symptoms, (3) the prevention or correction of overdoses, (4) the lethal dose of a substance, (5) the determination of effects of basically non-toxic materials, (6) special poisoning risks to newborns and infants, (7) the effects of long-term exposure, (8) the specific organs within the body that are at risk and (9) the specific cause of death. Due to problems of extrapolating responses between different species, the classical LD50 only provides minimal information about a substance's ability to kill laboratory animals. Although the governments of western Europe are either considering or are already removing requirements for the classical LD50 tests, it continues in use within the United Staes. Such use is a "bad habit" resulting from bureaucratic inertia. A simple alternative, the approximate LD50, provides more appropriate information and has been available since the late 1940's. What is needed here is a change in attitude among federal regulatory agencies and additional funding for development and validation of alternative methods utilizing human cell cultures or lower organisms. Such work is in progress, but is not adequately funded.

The development and use of alternatives to laboratory animals in basic biomedical research is the area needing the most immediate attention, since it involves the majority of the 70 million animals killed every year in United States laboratories. We are encouraged by the recent cooperative effort between the NIH and the National Academy of Sciences to establish a Biomedical Research Models Development program to assess "...the use of cell systems, lower organisms, and non-biological systems as models in biomedical research sponsored by the NIH. As noted by the NIH, "such systems may provide cost-effective resources to the research community..."

This belated recognition of the usefulness and desirability of alternative methods combines well with the directive in the FY84 House/NIH authorization. That legislation required that the Director of the NIH should establish a plan for:

> Research to be conducted by or through the NIH into methods of biomedical research and experimentation which: (1) do not require the use of animals, (2) produce less pain and distress than conventional methods, (3) establish the validity of such methods, (4) facilitate the training of scientists in such methods and (5) desseminate such information to the biomedical research community.

We believe that the NIH commitment to develop and promote alternatives needs more formalization and effort than a committee examination or a simple written plan of action. We have two specific proposals that will effectively improve the quality and reliability of tax-payer supported biomedical research, significantly reduce the numbers and cost of laboratory animals used, implement the Congressional directive to the NIH, and give the concept of alternative methods the official sanction and serious attention it deserves.

PROPOSAL 1: Closure of the Regional Primate Research Centers

Rather than continuing to increase funding for the seven Regional Primate Research Centers (PRCs), we ask that the Division of Research Resources begin an immediate phase-out of the PRC program for reasons of high disease and mortality rates among the research animals, continued mediocre quality or redundancy of the PRC research programs and failure to serve as research resources for the entire biomedical research community. Although we acknowledge that research using nonhuman primates has sometimes advanced our understanding of human health, the PRCs continue to have a poor record of scientific accomplishment. We further ask that researchers at the PRCs, prior to closure, be required to recover their research costs by the same mechanisms employed by the rest of the scientific community. Funds saved by the phase-out and change in funding procedures should be specifically reallocated to develop and promote new alternative technologies that would benefit both the biomedical researchers and the taxpayers.

Although primates represent only a small fraction of the animals used in biomedical research, the Animal Resources Program of the Division of Research Resources spends the majority of its budget on core support for the handful of scientists at the PRCs. These researchers have an unfair competitive advantage over their colleagues in academia, since both salary and maintenance of physical facilities are guaranteed. Without the usual controls provided by merit-based competition, inferior personnel and research can be sheltered from the usual mechanisms for dealing with poor quality science.

The PRCs were established to "ensure that the special environments required for biomedical studies with primates are available to U.S. scientists". They were designed to serve as national resources for the U.S. biomedical research community, but they have consistently failed to achieve that goal. A British government study in 1969 was the first to note that the PRCs' visiting scientist programs were "surprisingly small" and "do not provide a service outside their own organization." They summarized the PRC program by noting "the quality and quantity of work emerging from the NIH sponsored programs does not appear to justify the great expense incurred" and that a similar PRC program in England "would not be in the best interest of the majority as it would tend to attract available funds to the minority."

Additional DRR commissioned reviews of the PRC program in 1976 and 1979 noted that these observations were still appropriate. In fact, the situation had actually deteriorated with regard to the quality of the research programs and the care of laboratory animals. Our examination of the PRC annual reports since 1979 clearly shows no improvement in research programs or animal husbandry.

The PRCs are still proposing and conducting research that duplicates work being done elsewhere or already known, projects for which viable alternatives are available, projects which use inapproprite animal models or projects which serve no useful intellectual or scientific purpose. In addition there is an ongoing problem of empire building in these institutions. Once they have constructed and maintained such expensive research factories, the strongest motivation in proposing research at the facility may be the perceived need to continue to justify their existence and budget. The recent attempts to justify years of inadequate husbandry and high mortality rates at the PRCs as resulting from a 'possible AIDS-like' syndrome (although none of the valid associations are present) is an excellent example of stretching a comparison in order to justify their existence.

For over twenty years the PRCs have failed to perform as originally intended. Several hundred million dollars have been wasted supporting such cruel and scientifically unjustifiable projects as toxicity testing of substances already in long-term use or previously banned substances (ignoring the available clinical data), drug and alcohol abuse (again ignoring the clinical data), and an unending series of permutations of experimental psychology protocols. PRCs are still removing increasingly endangered primates from their natural habitats, despite over two decades of "research" into proper breeding and care of primates in captivity. Much of the research into reproductive biology done at the PRCs is designed to compensate for the grossly inadequate conditions under which the animals are kept. One only need visit the world's leading zoological parks to learn how to breed and maintain primates.

PROPOSAL 2: Formation of National Centers for the Development, Validation Dissemination of Alternative Technologies

We ask that the Division of Research Resources use money presently budgeted for the PRCs to phase-out the centers and reestablish them as National Centers for the Development of Alternatives. This would constitute the best and highest use of the existing physical plants, sophisticated equipment, libraries and accumulated scientific experience.

The principal objective of the DRR is the creation and development of new resources for the biomedical research community. We want the DRR to pursue that goal by changing its previous perspective and actively encouraging the replacement of traditional methods of biomedical research with alternative technologies that focus on the target animal (i.e., tissue culture; human cells, etc.), rather than promoting the often questionable practice of inter-species extrapolations, which typify the "animal models" approach to investigating biological problems.

Although some research may continue to require intact laboratory animals, insufficient emphasis has been placed in biomedical education and federal funding on either the utilization of existing or the development of entirely new alternative methods. The principal factor restricting the wider adoption of alternatives is the attitude of the biomedical research community. Intellectual tradition, rather than necessity, and a lack of commitment by the appropriate federal granting agencies to developing new methods encourages the continued excessive use of laboratory animals.

Although some alternative techniques currently in use were developed as "by-products" of other research projects, this has not always and need not continue to be the accepted approach to advancing biomedical research. If funds were specifically allocated or facilities specifically designated for development of alternatives, individual scientists would apply for and subsequently produce the new methods needed to improve the quality and reliability of biomedical research.

By changing the mission and focus of the research activities of the PRCs, they would finally serve as the valuable resource for which they were begun—a role they have consistently failed to play.

Dr. McArdle. I want to thank you for giving me the opportunity to talk to you this morning. I have submitted written testimony on an area of concern to us. However, this morning, I would like to address something that we consider a more critical need, and discuss, briefly what that would happen to be.

Our major constituency, although they are people who are concerned about the welfare of animals, I have a particular prediliction for cats and dogs. And I'm concerned very much about what happens to cats and dogs. Our census indicates that pets are very common in households in the United States, and most likely that's going to be a cat or a dog. Surveys that we've done, and other individuals have done, indicate that people tend to be very much concerned about the possibility that their pets might end up in a research or product testing laboratory.

When individuals are forced to take an animal to a pound, either because they're an elderly person moving into a housing project that doesn't allow pets, or for some other reason, the general assumption is that the purpose of a pound is, that it is a sanctuary for these animals. That when they're brought there, they will be treated humanely, and that if a home cannot be found for them, that they will be humanely euthanized. We believe that the laws that exist, in the various places in the United States, the pound seizure laws, which require local pounds to release these animals, whether they want to or not. In other words they are mandatory release laws. Individuals who run the organization, in the local community, do not have a say in whether these animals are to be released for research, are a threat to the sanctuary of these pounds.

If we look at some of the recent history, your own State of Connecticut has had a longstanding ban on the release of pound animals for use in research and teaching. Last summer the State of New Hampshire passed a total ban on the release of pound animals, also passed a ban on the importation of these animals. In December, the State of Massachusetts passed what is the strongest antipound seizure legislation in the United States today. That was done without the active opposition of Harvard University. In January, the State of Maine passed a very strong ban on pound seizure. A few weeks ago the State of Vermont passed similar legislation. And about 3 weeks ago the State of Wisconsin had a vote on an amendment to one of their rabies control votes, which was designed to institute pound seizure in that State. That particular amendment lost on a vote of 97 to 2. One of those individuals later said he pushed the wrong button.

I think it's clear that the trend, in the United States, is away from the use of these animals, and to ensuring sanctuary status of pounds. There are a total of 11 States now that have a ban on pound seizure. There are citizen campaigns active in 14 States, additional States, to achieve the same type of ban.

If we look at foreign countries, the countries of Sweden and Denmark have national laws banning the use of these animals. In England, they do not use pound animals for research. The National Institute of

Health does not use pound animals in its own health programs. The World Health Organization recommends against their use. The Council of Europe, in their requirements, recommends against their use.

We're concerned about the need for these animals, where there is a need. In particular, we've looked at the area of teaching and there are some valid uses of animals in teaching. However, we've not been able to identify any specifically, that require pound dogs.

In terms of product testing, I think the pharmaceutical companies have long recognized the need for a well defined animal, such as an all-purpose bred animal, in order to eliminate the problems of past history and the possible side effects of a drug.

Our major area of concern was in research. Perhaps there might be some unique characteristic of pound dogs, that they were necessary for use in research. We've now done what we consider to be research. We've looked through both scientific literature that's been published, individual studies, for instance, comparing directly the utility of using a pound dog versus a bred dog. We believe that information, on the use of pound animals, is that they are unsuited for research, that they give spurious results and that there's an illusion of cheapness around them. Because of their low survivability, they may, in fact, be more expensive.

Two additional concerns, specifically, to us, are the theft of animals for sale to research. We're beginning to get documentation on this. Surprisingly, it's quite common in States that have pound seizure laws, where the animals are available. Another increasing problem is that dealers are sending the individuals out to answer want ads, when someone says "free to a good home", cats and kittens. They're hiring people to actually go out and answer these ads to collect the animals.

We believe that the only real protection, to keep these animals out of the laboratories, and to maintain sanctuary status at the pounds is to have a total ban on the use of random source pound animals. We, therefore, will be seeking both your sponsorship, in working with this committee, for an amendment to the NIH appropriations bill, this year, to prohibit the use of any NIH funds for the purpose of purchasing animals for any new research projects.

Senator WEICKER. Let me say this, that I agree with the principle that you advocate, I have no problem with that. But, I can also be candid with you, and I'll say that right now, that under no circumstances will I support that kind of amendment. I have traditionally been against any legislation on appropriations bills. So, I want you to know, and your society to know that I have no difficulty with your principles that you state here, before the committee, but, there will be no such amendment on this bill. And I can say that flatly.

I've had everything from busing, prayers in school tuition tax credits, everything else that the administration tries to ram down as a matter of principle on this committee and this particular chairman. We are an appropriations budget, not a legislative session.

Dr. MCARDLE. All right, thank you.

STATEMENT OF CHRISTINE STEVENS, SECRETARY OF THE SOCIETY FOR ANIMAL PROTECTIVE LEGISLATION

PREPARED STATEMENT

Senator WEICKER. Christine Stevens, secretary of the Society for Animal Protective Legislation.

[The statement follows:]

STATEMENT OF CHRISTINE STEVENS

The Society for Animal Protective Legislation has worked since its founding thirty years ago to improve the care and treatment of laboratory animals, and we are glad to note progress wherever it has been made. However, there is still a major problem in many institutions including some of the most prestigious.

This distinguished subcommittee needs to have the facts so that needless animal suffering, much of which undermines the accuracy of the research and testing being conducted, can be curbed.

In its current animal welfare guidelines and in those just published for comment last week, the National Institutes of Health accepts as an unquestioned guarantee of proper care and management of animals accreditation by the American Association for Accreditation of Laboratory Animal Care (AAALAC).

To test the assumption that AAALAC-accredited institutions take good care of their test animals, we obtained under the Freedom of Information Act the reports on site visits made by the veterinary inspectors of the U.S. Department of Agriculture's Animal and Plant Health Inspection Service which is charged with enforcement of the Animal Welfare Act. This data had never before been correlated with NIH statements of assurance which form the basis on which the appropriateness of NIH funding from the animal welfare standpoint are based.

We are continuing our data collection and, at this time, would submit for use by the Subcommittee information on 11 AAALAC-accredited institutions all of which received millions of dollars of grants paid for by the tax-payer.

It is our recommendation that the Subcommittee advise NIH to keep a running check on deficiencies and alleged violations of the Animal Welfare Act in all institutions receiving NIH funding, and that failure to live up to the Animal Welfare Act's minimum standards be made part of the decision-making process in the awarding of grants.

If this is not done, the peer reviewers will continue to operate in an information vacuum so far as animal welfare is concerned.

Blind acceptance of AAALAC accreditation is neither rational nor scientific. I know from my own experience in visiting laboratories over a period of years that situations for animals can, and often do, deteriorate rapidly. Inspection every three years as established by AAALAC can never guarantee good day-to-day treatment of the animals. Even the site visit at which a decision is reached as to whether or not to confer accreditation on an institution is announced weeks or even months in advance.

Recently, a Memorandum of Understanding has been established between NIH and USDA's Veterinary Services. Full coordination should be encouraged.

As you will note from the quotations from veterinary inspectors' reports, the deficiencies do not require substantial funds to correct. This is not a problem that can be solved by money; therefore, the Society for Animal Protective Legislation is not requesting any appropriation.

What is required is the will to treat the animals involved with decent consideration.

Following are summaries of inspection reports from eleven institutions:

The Johns Hopkins University School of Medicine including Baltimore City Hospital and Good Samaritan Hospital, and the School of Hygiene and Public Health have been AAALAC-accredited since 1979. The institution received $51,127,460 from NIH in

1982. Following are a few examples from USDA veterinary inspectors' reports on different areas. 2/22/82 "Dogs and cats must be ID to records at all times by tag on collar or distinctive and legible tattoo marks...This should be corrected immediately." Numerous sanitation deficiencies were also noted. 6/3/82 "Several outdated drugs stored in medicine cabinet...rodent feces and roaches in a cabinet under the sink in the primate building. Also rodent feces were found in the feed room...peeling paint in primate cages...and kennels...all dogs not ID properly should be done immediately" (This seems to be a recurring problem).
10/4/83 "Rabbit rooms A-6 and A-5 have very poor air exchange... stinking with bad odors...In monkey room no. A-19 paint is chipping off at 4 different places in the wall contributing to inadequate sanitation." "In room No. 4-14213 and 4-142A where 3 and 4 monkeys are housed respectively, the primary enclosures were extremely dirty. The urine and feces receptacles were full of urine and excreta, and the monkeys were found wet and smeared with excreta." "In room No. 1357, Dogs N. 2193, 2236, 2243, 2237, 2195, 2194, 2184, 2343 found housed in very small cages...several expired drugs in the medicine cabinet."

3/12/84 "still found an extensive problem with peeling and chipping paint on walls in the dog kennels of the Dog Building and the kennels of the Primate House."

Vanderbilt University in Nashville, Tennessee, has been AAALAC accredited since 1979, yet the October 27, 1981 report shows that primates were held in improperly ventilated areas. The condition continued according to the report 4/27/82, "Not enough air change in room 2147." On 5/20/82, "No water in bottle, leaked out . . . most all of feeders need cleaning." 1/27/84, "Cages need cleaning more often for the squirrel monkeys . . . tree shrews replace cages or repaint. Rusty cages makes cleaning, sanitation, and housekeeping impossible." These tree shrews remained in the dirty, rusty cages for three years, as shown by the notation on the 10/27/81 report, "Remove rust and fecal material from cages in tree shrew room." On that same inspection, it was noted that six research dogs were "not identified." NIH only requires an assurance that an institution is AAALAC accredited in order for it to approve the institution's animal care and welfare. In 1982 Vanderbilt University received $23,672,537 of taxpayers' money from the National Institutes of Health.

The University of Utah received $17,360,175 in 1982 and, though AAALAC accredited, had numerous alleged violations under the federal Animal Welfare Act. For example, 6/30/81, "Primates have inadequate space . . . filters are pretty well plugged with hair . . . some of the cages are too small, large rabbits 9-11 lbs. have 432 square inches and they should have at least 540 square inches . . . some of the cages are not high enough that rabbits can stand up . . . feed in some feed containers are contaminated with urine from top cage." An inspection 4/6/82 notes, "Four rabbit cages with young litters. The litter pan takes most of the room, not allowing adequate space for the rabbit." 7/20/82, "Flush cages are marginal in sanitation. Urinary deposits on cages. Three or four heavy (10 lb.) pregnant rabbits too large for cage." 12/9/82, "Doors to outside pens 5, 6, 57, 59, and 60 have been clawed or chewed--holes in surface allow moisture into the wooden doors." The same problem had not been corrected by 3/3/84.

The University of Rochester Schools of Medicine and Dentistry are AAALAC accredited, and the institution received $25,991,504 from NIH in 1982, yet USDA veterinary inspectors found 7/20/82, "Primates in room 6-7573B are being kept in cages which have not been sanitized for over 6 weeks (since 6/1/82) . . . not being cleaned adequately to prevent contamination of the non-human primates contained therein." It is further noted that the room "has organic matter smeared on walls, and floors are dirty." This violation of the standards is very properly marked as "major." The inspector returned 8/20/82 and found again that "primate cages are not being sanitized at least every two weeks as required . . . dates from 16 racks were taken and of these 12 were overdue . . . an effective program for the control of insects is not being maintained . . . room 6-7573H has organic matter smeared on walls. Floors are dirty. Repeat write-up from 7/20/82."

The University of Pittsburgh Medical School is AAALAC accredited. The university received $17,552,164 from NIH in 1982,

7/25/83, "There were several holes in the wall of the cat room located at the first floor . . . the floor was dirty . . . cat room 575B used as a storage area, one of the feed bags found open and spilled on the floor. There was insufficient light and the room did not appear to have been cleaned for a long time. We recommend periodic cleaning. The light should be uniformly diffused throughout the animal room and supplies, boxes, and Fiberglas cages should not be stored in the animal room."

9/7/83, "The room did not appear to have been cleaned since the last inspection. The acid, detergents, cages and trash containers must be removed from room 638A. I gave 24 hours for correction. The facility will be inspected for compliance tomorrow, 9/8/83." It was only after the USDA inspector insisted that the deficiency be corrected in 24 hours that this finally occurred.

It is interesting to note that inspectors for AAALAC accreditation only return once every three to five years! It should not be necessary for USDA veterianry inspectors to return so frequently as noted in this case in order to obtain compliance with such obviously necessary standards, but it is equally clear that only such insistence by the government can achieve even minimum standards.

Harvard University received $46,257,040 from NIH in 1982. Harvard Medical School is AAALAC accredited, yet USDA inspections since 1981 show multiple alleged violations of the Animal Welfare Act beginning 9/21/81, where the inspector urges that "chains with multiple hooks must be eliminated. Small chain and no hook at end allowed." The reference is to primates and squirrels. Too small rabbit cages are also noted. 4/28/82, rabbit cages are still too small, as are those for a number of the primates. The report states, "Restraint chairs very dirty. Should be changed each time animals changed. Primary enclosures shall be sanitized often enough to prevent accumulation of debris and excreta."

4/28/82, rabbit cages continue to be too small and self-feeders were not being cleaned out as needed "to prevent molding, deterioration and caking of feed." Two dogs were confined to cages too small for them.

11/17/82, rabbits continue to be confined to cages so cramped that they violate minimum standards. The quarantine room for 13 squirrel monkeys had inadequate ventilation and "fluctuations in temperature are too drastic. Thirty days to correct." In a list of old, rusty, difficult-to-clean cages, the following animals were housed:

3rd Floor

Room 306A	11 monkeys (Cebus)
306B	12 monkeys (Cebus)
306C	22 gerbils
306G	10 monkeys (Cebus)
306H	25 monkeys (Cebus)
302	8 monkeys (Cebus)
333	8 rhesus
337	20 squirrel monkeys
345	16 monkeys (Cebus)
304	3 squirrel monkeys

4th Floor

Room A	37 guinea pigs	
	400 gerbils	

Basement

Room B39	6 rhesus	5 baboons
B35	5 dogs	
B37	5 dogs	
B31	11 dogs	
B29	10 dogs	
B33	8 cats	
	2 dogs	
B17	87 guinea pigs	
B15	103 guinea pigs	
B13	22 rabbits	

Building 1, 9th Floor

Room 914A	19 cats
914B	22 cats
914C	14 cats

3/15/83, "Two cages inspected with squirrel monkeys had loose, sharp wires on the caging where openings are located. Other parts of the cages were rusted and deteriorated . . . It appears sanitation is nonexistent while animals are in isolation chambers. Areas around isolation chambers could be improved in housekeeping by sink, floors, etc."

Yale University's School of Medicine was AAALAC-accredited in 1979. The accreditation has never been lifted, nor have any problems occurred with NIH, despite the fact that USDA inspections reveal such violations as (2-8-82) both dogs and cats were illegally purchased from Laka, Inc. of Canada. Further, four of the Medical School's sites were repeatedly found to have inadequate caging for both rabbits and primates. For example, Sterling Hall of Medicine was cited for inadequate primate cages (1-14-81, 5-23-82, and 2-4-83). USDA also noted lack of proper ventilation for cats and "excessive build-up of green material" in rabbit water bottles. Yale received $51,142,691 from NIH in 1982.

The University of Massachusetts Medical Center at Worcester was AAALAC-accredited 2-13-80 according to NIH Statements of Assurance submitted by Dr. William S. Webster, the Attending Veterinarian of the School of Medicine and a member of the AAALAC Council on Accreditation. AAALAC accreditation apparently continued even though Dr. Webster acknowledged multiple violations reported by USDA inspectors, including inadequate cages for primates and dogs in 1982 and for rabbits in 1981, '82' and '83. In 1981 the USDA inspector noted build-up of feces and other waste in some of the institution's animal rooms, and in both 1981 and '82 ventilation systems were not functioning properly. Heavy odors permeated areas where drains were clogged with feces.

A more unusual violation is Dr. Webster's purchase of dogs from unlicensed sources, e.g. from one Ed Gauvin who provided greyhounds from Connecticut: "Dr. Webster informed us this would cease as of today (6-11-81)...Any money exchanged after this date will result in an alleged violation being filed," according to the USDA report. Nevertheless, on 2-24-82, "A review of the records indicated U Mass did pay the Clinton dog officer money for transporting the dogs to U Mass as well as paying the town for the dogs...U Mass must cease paying transportation charges for dogs, cats or other animals unless they are licensed as dealers with USDA."

On 12-3-82 dogs were found overcrowded and in cages too small for them. The report also notes, "Where two greyhounds are housed together, they are both muzzled, making eating pellets difficult."

On 2-9-83, "Ventilation - Dogs. Many ventilation filters are clogged with shavings, hair, dust." Also, "a number of water bottles have a green film coating the inside."

These are just a few of the many deficiencies noted in the 81-83 reports, including "build up of rabbit feces on floors of cages," "odor of dog urine and feces strong," "large amount of fecal material and wet shavings in run. This pen should be cleaned today." and "6 large rabbits weighing over 12 lbs. (we weighed two with Dr. Webster) Rabbits over 12 lbs. must be provided an area of 720 square inches. Cages are 25" by 24" or 600 square inches." The university received $6,556,969 from NIH in 1982.

Two AAALAC-accredited institutions in the State University of New York system show abuses so serious and so often repeated that USDA inspectors recommended prosecution. Meantime, these institutions apparently remain in NIH's good graces based on their Statements of Assurance that they are AAALAC-accredited. For example, USDA reported August 19, 1982: "The dogs need rest boards in the runs to stay clear and away from dampness, urine and feces. The dogs were found to be sitting in urine and feces." Two months later the inspector reported: "On the previous inspection dated 8-19-82, it was pointed out that drainage of dog quarters is very defective and accumulation of urine, feces, waste water and food in the area creates a potential health hazard for the animals. Nothing has been done so far to rectify the deficiency. A case against the facility is recommended.' The Stony Brook campus uses large numbers of dogs. The most recent figures available (10-1-82) show 328.

In the case of Downstate Medical Center, the inspector complained 8-5-81: "There are four cats enclosed in one cage 28" x 32" making it very uncomfortable for them to turn about freely and to stay in their normal position. It is impossible for the group to sit and lie comfortably. This deficiency should immediately be rectified." He added that the cages "were found in very dirty condition." Despite warnings, rabbits were repeatedly found in cages too small for them. A case against the facility was recommended 5-27-80. SUNY at Stony Brook received $11,757,599 and SUNY at Downstate received $6,014,228 from NIH in 1982.

In conclusion, Mr. Chairman, we request that the subcommittee direct NIH to forward to all those who take part in decisions on grants and contracts, information on alleged violations of the Animal Welfare Act by institutions whose grant proposals are under consideration. This simple liaison would be an effective deterrent to the documented foot-dragging I have described. Unhealthy and distressing conditions for animals in institutions receiving tax-payers' money should be promptly rectified.

Senator WEICKER. How are you Christine?

Ms. STEVENS. Very well, thank you.

I would like to thank you for your humane attitude toward animals, and what I would like to do is highlight my testimony and ask, not for any amendment, but for advice to NIH, from this subcommittee. Because, we have undertaken a study to find out whether the reliance of the National Institutes of Health on AAALAC accreditation is justified, as a means to finding out that animal welfare is all right.

We feel that NIH should keep a running check on efficiencies and alleged violations of the Animal Welfare Act in all institutions receiving NIH funding. And that failure to live up to the animal welfare acts minimum standards be made a part of the decisionmaking process in the awarding of grants. Inspection every 3 years, as established by AAALAC, can never guarantee good day-to-day treatment of animals.

Senator WEICKER. Christine, what is AAALAC?

Ms. STEVENS. That's the American Association for the Accreditation of Laboratory Animal Care. They serve a useful function, I don't wish to criticize them, but they do not serve a function which NIH is using them for. The only way you can get that information is from the U.S. Department of Agriculture inspectors.

Senator WEICKER. So, what you're advocating is using the U.S. Department of Agriculture inspectors?

Ms. STEVENS. They have got a memorandum of understanding now, between NIH and USDA, but I don't think it has developed fully. We simply have done this study under the Freedom of Information Act, because we suspected it wasn't right. But, I must tell you, I was really shocked, myself, when I found out how right we were to question it. I want to point out that the deficiencies do not require substantial funds to correct. It's not a problem that can be solved by money. What is required is the will to treat the animals involved with decent consideration. Now, I'm going to give 1982 figures for a number of institutions, including very, very distinguished ones, and very quickly, you have my full testimony, so you can read in detail some of the findings of the USDA inspectors.

Johns Hopkins University School of Medicine, over $51 million, dogs and cats must be ID'd to records at all times by tag on collar or distinctive and ledgible tattoo marks, this should be corrected immediately. There's several like that. The urine and feces receptacles were full of urine and excrement. The monkeys were found wet and smeared with excrement. Dogs, housed in very small cages. Several expired drugs in the medicine cabinet. Vanderbilt University, over $23 million. Cages need cleaning more often for squirrel monkeys, busted cages makes cleaning and sanitation impossible, and then, years later, remove rust and fecal matter cages. University of Utah received over $17 million. Primates have inadequate space, filters are pretty well clogged with hair, feed in some feed containers are contaminated with urine from the top cage. University of Rochester's School of Medicine and Dentistry, over $25 million. Primates in room such and such are being kept in cages that have not been sanitized in over 6 weeks. The room has organic matter smeared on the walls, the floors are dirty. University of Pittsburgh Medical School, over $17 million. Several holes in the walls and cracks in the ceilings. There are fiberous materials hanging from the ceiling. Feed bags found open, spilled on the floor. Most of the rabbit cages do not appear to have been cleaned for a long time. Room did not appear to have been cleaned since the last inspection.

I'm jumping from 1 year to another. The acids, detergents, cages, and trash containers must be removed from room 638E, I give 24 hours for correction. It was only after he said 24 hours or else, that they finally did this clean up. It shouldn't be necessary for USDA inspectors to return so frequently, as noted in this case, in order to obtain compliance with such obviously necessary standards. But, it's equally clear that only such insistence by the Government can achieve minimum standards.

Harvard University received over $46 million. It appears sanitation is nonexistant where animals are in isolation cages, and then I have—these are some of the things you get under the Freedom of Information Act. I'll just read a few examples from the New England Primate Center. Wire mesh floors were broken and in disrepair, extremely large buildup of fecal material on walls and floor. It appears that the cages cannot be adequately maintained. Mesh has been rusted through, is ripped up. Wire edges are potential problems for animal escape and injury. Galvanized cages, used to have monkeys, are rusted and deteriorated. Here's a different one, need a general clean up.

Senator WEICKER. So, I gather what you're saying here is that what is really needed is the commitment by NIH and USDA, to work together to ensure that these conditions——

Ms. STEVENS. Right. USDA is going in and finding these things, but, they don't have as much push, and they do take laboratories to court. But, it doesn't have the power of those millions and millions of dollars.

Senator WEICKER. Christine, it's always nice to have you here.

Ms. STEVENS. Thank you.

STATEMENT OF DR. JAMES G. FOX, DVM, PROFESSOR AND DIRECTOR, DIVISION OF COMPARATIVE MEDICINE, MASSACHUSETTS INSTITUTE OF TECHNOLOGY

Senator WEICKER. James Fox, professor and director, Division of Comparative Medicine, Massachusetts Institute of Technology.

Dr. FOX. Thank you, Mr. Chairman for the opportunity to discuss, with you today, some items which I consider very relevant to the NIH program.

I'd like to testify on behalf of the Division of Research Resources Animal Resources Program as a diplomat of the American College of Laboratory Medicine. I represent the veterinarians who are responsible for providing professional supervision and support of those NIH research programs which use animals. And I also would like to mention that I am the current chairman of the Council on Accreditation AAALAC Program, which was just referred to by the previous speaker.

I would be happy to discuss the mandate and the tremendous importance of that program, if you wish, later.

The primary objectives of the Animal Resource Program are to support broadly based programs that provide or assist scientists, who use animals in human health related research. To demonstrate the size of this task, I would like to direct you to table 1 in my written testimony. The 1985 NIH budget request would provide over $1.5 billion for animal related research activities. As you know, Mr. Chairman, Congress recognizes the importance of providing high quality, humane care of research animals. The Animal Welfare Act, and such subsequent amendments establish minimum standards for animal care and use. NIH recognizes these as well as additional requirements, and has published a guide for the care and use of laboratory animals, which, I'm sure you know, is currently undergoing revision, as well as other standard documents on the care and use of laboratory animals.

We also recognize today, that fewer animals are being used in research, but, are housed for longer periods of time, requiring higher levels of environmental control. Animals, like men, are susceptible to many naturally occurring diseases. It is important that research on these diseases be funded in order to identify important animal models of human disease, as we've heard about in earlier testimony.

In addition, a better understanding of the control and elimination of several relevant laboratory animal diseases would directly influence the conservation of animals used in biomedical research, and also improve the validity of experimental research involving animals. The current NIH position, which I strongly endorse, is that the selection, care, use, and monitoring of animal research must be improved. A brief examination of the legislative and funding history for basic animal resources, demonstrates a lack of commitment to this program. While total DRR funding has increased, the animal resource funding has decreased from 14 percent of total DRR budget in fiscal year 1980 to 1981 to less than 13 percent in fiscal year 1984 and 1985, as indicated on the table 1.

In the past 7 years there has been a steady reduction in animal resource funding, as related to the overall extramural budget, NIH budget. This reduction has not been evenly distributed by the Animal Resource Program at DRR. They made a greater reduction in improvement awards and other areas because of the smaller impact of their limited improvement awards as compared with increased needs, and diagnostic laboratories training and research programs.

This general lack of NIH committment to animal research has resulted in cumulative facility improvement and animal research development funding problems which this committee hears about, I'm afraid, on an all to frequent basis.

Having personally visited over 125 research and educational institutions during the past 15 years, I must tell you that, unfortunately, there is serious need for renovations of facilities throughout the system. It has been estimated, and I concur with these estimates, that at least 38 percent of biomedical research institutions need assistance in remodeling their animal facilities. And 16 percent need to replace them, at an estimated cost of some $500 million.

If, as professionals, we are to fulfill our obligations to Federal funding agencies, to the research community and to the public, then Congress must act decisively. We are, therefore, recommending that Congress enact a special 5-year Animal Facility Improvement and Construction Program, funded at $25 million annually, for fiscal 1985, to be increased another $25 million annually for a 5-year period, for a total of $75 million.

We are also requesting that Congress increase funding to DRR for laboratory animal diagnostic laboratories serving biomedical research. We recommend increasing that amount by $1 million, annually, to fiscal year 1989. This will allow much broader, national diagnostic coverage, by increasing the number of laboratories from 13 to 30.

We are also recommending that Congress increase funding to DRR by $4.5 million annually, for research and training in laboratory science and medicine. This would allow funding of about 25 RO–1 grants to study laboratory animal diseases and would represent a 50-percent increase in manpower output in training veterinarians in laboratory animal medicine. As I'm sure you know, Mr. Chairman, the NIH has just proposed a new lab animal research policy. The new policy, for the first time, specifies the qualifications of the members of the institute animal research committee which will be reviewing the animal related protocol. One member must be a veterinarian, with laboratory animal expertise. Clearly, when this policy is enacted, the already limited number of veterinarians specializing in lab animal medicine will be severely taxed and unable to meet the increased demands of the new NIH policy.

In summary, thank you for the opportunity to discuss this important issue. Enactment of the budget request, as modified, will demonstrate our willingness to carry out our obligations and uphold the public trust.

Thank you.

PREPARED STATEMENTS

Senator WEICKER. Thank you, Dr. Fox. Your statement will be included in the record at this point, along with other statements submitted for the record on appropriations for the Division of Research Resources.

[The statements follow:]

STATEMENT OF DR. JAMES G. FOX

Thank you for the opportunity to testify on behalf of the Division of Research Resources (DRR), Animal Resources Program. As a diplomate of the American College of Laboratory Animal Medicine and chairman of its Legislative Liaison Committee, I represent the veterinarians who are responsible for providing professional supervision and support of those NIH research programs which use animals.

The primary objectives of the Animal Resource Program are to support broadly based programs that provide or assist scientists to use animals in human health related research. To demonstrate the size of this task, I would like to direct you to TABLE I. Approximately 83% of the NIH budget is used to fund extramural research programs and approximately 46% of these programs use animals in their research activities. The 1985 NIH budget request would provide over $1.5 billion for these animal related research activities.

Congress recognizes the importance of providing high quality humane care to research animals. The Animal Welfare Act 89-544 as amended (91-579, 94-279) established minimum standards for animal care and use. NIH recognizes these as well as additional requirements. It has published: A Guide for the Care and Use of Laboratory Animals (DHEW Publication (NIH) 78-23) which is currently undergoing revision, National Cancer Institute Safety Standards for Research Involving Chemical Carcinogens (DHEW Publication (NIH) 75-900), and National Cancer Institute Safety Standards for Research Involving Oncogenic Viruses (DHEW Publication (NIH) 78-790) to name a few of the official documents on animal care and use. The nation's animal facilities suffer from two types of obsolescence, legislated obsolescence and technological obsolescence. Legislated obsolescence is produced by federal animal welfare legislation and its regulations and by NIH guidelines which are frequently interpreted as standards or regulations. Technological obsolescence is brought about by scientific advancement which necessitates barrier facilities and more sophisticated husbandry requirements. Fewer animals are being used in research but are housed for longer periods of time, requiring higher levels of environmental control. Animals like man are susceptible to many naturally occurring diseases. It is important that research on these diseases is funded in order to identify important animal models of human disease. In addition, a better understanding of control and elimination of several relevant laboratory animal diseases would directly influence the conservation i.e., the numbers of animals used in biomedical research, and also ostensibly improve the validity of experimental research involving animals. The current NIH position is that selection, care, use and monitoring of animal research must be improved. Newspaper articles and letters to Congress and NIH officials all attest to the high level of public concern in this area. In summary, we can see that Congress, the Federal Funding Agencies, the research community and the public all recognized the necessity for improvements in animal care and use.

A brief examination of the legislative and funding history for basic animal resources demonstrates a lack of commitment to this program. While total DRR funding has increased, the animal resource funding has decreased from 14% of DRR total budget in FY 80-81 to less than 13% in FY 84-85 (Table I). In the past seven years (1978-1984) there has been a steady reduction in animal resource funding as related to the overall NIH Extramural Budget (Table I, 3C). This reduction has not been evenly distributed by the animal resource program of DRR. They made a greater reduction in improvement awards than in other areas because of the smaller impact of their limited improvement awards as compared with increased needs in diagnostic laboratories, training and research programs. This general lack of NIH commitment to animal research has resulted in cumulative facility improvement and animal research development funding problems this committee hears about on a too frequent basis. Having personally visited over 125 educational and research institutions during the past 15 years, I must tell you that unfortunately, serious deterioration is present throughout the system. At least 38% of biomedical research institutions need assistance in remodeling their animal facilities and 16% need to replace them (at an estimated cost of some $500 million).

In its report on the Fiscal Year 1983 budget for the Department of Health and Human Services, the Committee on Appropriations stated:

> "The Committee is aware that both major animal facility renovations and animal resource improvements are necessary to the conduct of biomedical research using animals. Data from a National Research Council survey show very large funding needs for replacement, renovation, and acquisition of animal facilities space. This problem is of major concern to the Committee. Consequently, the NIH is requested to provide a report prior to the fiscal year 1984 appropriation hearings containing current information on the magnitude of the problem and strategies for its resolution." (Senate Report No. 97-680, page 33)

If as professionals we are to fulfill our obligations to federal funding agencies, to the research community and to the public, then Congress must act decisively. Replacement facility construction and improvements in the older facilities and a modest increase of funding to study and diagnose laboratory animal diseases that impact adversely on biomedical research are essential. While I fully recognize the budgetary constraints we are under, the small absolute dollar increase that I am recommending will be magnified many fold by improving the quality of biomedical research programs, decreasing the costs of this research by increasing efficiency, and most importantly, providing high quality state-of-the-art humane care to research animals.. This shared funding approach for facilities improvement will stimulate much needed improvements at many institutions.

I make the following specific recommendations:

1. The Congress enact a SPECIAL 5 YEAR animal facility improvement and construction program funded at $25 million for FY85, to be increased by $25 million annually for 5 years for a total of $375 million. This program would be based on the following criteria:

   A. The grantee institution provide matching funded on the basis of $1 of institution funds per $2 of federal funds.
   B. A maximum allowable grant of $1 million be awarded to any single institution.
   C. That 50% of the funds be earmarked for existing facility improvements and not new construction.
   D. The facility improvement or construction request must address the animal care and use programs for the entire institution and not as separate administrative units. For example, a university must consider its campus-wide needs and not separately those of the medical school, dental school, liberal arts school, etc.

Token funds have been available for the past several years for facility improvements; however, there were only 4 awards granted in 1980, 2 in 1981, and there were NONE in 1982 due to a lack of funding. In 1983 only 2 facility improvement grants were made. 1984 and 1985 do not look better than 1983. NIH studies have shown that more than 38% of the non-profit biomedical research institutions throughout the country need to upgrade their animal facilities in order to further protect the integrity of experiments and to meet current legislative and technological standards. These surveys put the current immediate need for new facility construction at $500 million. I am requesting a modest 5% of that figure as seed money to begin the large task before us.

2. Congress increase funding to DRR for laboratory animal diagnostic laboratories serving biomedical research. There are currently 13 diagnostic labs funded at $3.1 million dollars. We recommend increasing that amount by $1 million annually to FY 89. This will allow a much broader national diagnostic coverage by increasing the number of laboratories to 30.

3. Congress increase funding to DRR by $4.5 million annually, for research and training in laboratory animal science ($3 million for research, $1.5 million for training). This would allow funding of about 25 RO1 grants to study laboratory animal diseases and would represent a 50% increase in manpower output in training veterinarians in laboratory animal medicine. The NIH has just proposed a new lab animal research policy. The new policy for the first time specifies the qualifications of four of the five members of the Institute Animal Care Committee. One member must be a veterinarian with laboratory animal expertise. Clearly, when this policy is enacted, the already limited number of veterinarians specializing in laboratory animal medicine will be severely taxed, and unable to meet the increased demands of the new NIH policy. An increased level of postdoctoral training in this specialty is therefore urgently needed.

In summary, thank you for the opportunity to discuss this important issue. Both the Congress and the biomedical community have technological, legal, ethical, and moral responsibilities to consider using living animals in research. This solemn trust requires us to act prudently. Enactment of the budget request as modified will demonstrate our willingness to carry out our obligations and to uphold the public trust.

TABLE I

COMPARISON FUNDING
(DOLLARS IN THOUSANDS)

	1979 Actual	1980 Actual	1981 Actual	1982 Actual	1983 Actual	1984 Est.	1985 Est.
1. NIH BUDGET	3,189,976	3,428,935	3,569,406	3,641,857	4,013,135	4,476,141	4,566,453
A. NIH Extramural Budget (83%)	2,647,680	2,846,016	2,962,607	2,857,938	3,171,182	3,567,588	3,648,921
B. Extramural Budget Using Animals	1,323,840	1,302,078	1,356,291	1,406,383	1,456.000	1,506,000	1,550,000
2. DIVISION OF RESEARCH RESOURCES							
A. Total Funding	154,162	169,196	175,627	184,058	213,652	242,636	245,728
B. As a % Total NIH Extramural Budget Using Animals	11.6	11.8	11.8	12.2	12.3	---	---
3. LABORATORY ANIMAL SCIENCES AND PRIMATE CENTERS							
A. Total Funding	24,636	24,680	24,933	26,115	28,015	30,612	31,364
B. As a % of Total DRR Budget	15.3	14.6	14.2	14.2	13.1	12.6	12.8
C. Laboratory Animal Science (Not incl. Primate Centers)	8,415	8,438	7,715	7,811	8,603	8,794	9,546
As a % of NIH	.63	.59	.52	.52	.55	.59	.61

STATEMENT OF MARY G. KNOPKE, DIRECTOR, THE AMERICAN HUMANE ASSOCIATION

On behalf of The American Humane Association, I would like to thank you for the opportunity to comment for the record on the 1985 budget request for the Division of Research Resources (DRR) and the National Toxicology Program (NTP) of the U.S. Department of Health and Human Services.

Founded in 1877, The American Humane Association is the oldest humane federation with an organizational network of over 3,000 animal care and control agencies located throughout the United States. While we recognize that some animal research is necessary, we are most concerned that:

- animals should be cared for properly with due attention to both physical and psychological needs;
- appropriate animal models be chosen and that the number of animals used be the minimum required for producing valid data;
- the animals not be subjected to pain or distress without the application of analgesia or anesthesia; and
- every effort be made to find, develop, validate, and use alternatives to whole animals.

It is this last crucial point that American Humane would like to specifically address in these comments. American Humane urges both DRR and the NTP to do more to develop and promote the use of alternatives to whole animal research and testing. We do not consider that enough emphasis is being placed on the development and use of alternatives in federally supported research and testing and we base our arguments on the following points:

Division of Research Resources (DRR)

In a 1976 review of the role of the DRR, Bolt, Beranek and Newman (a contract research group) noted that the DRR Biotechnology Resources Board "should address the challenges inherent in biotechnology needs by adding activities in new directions. Specifically, support should be given to preresource development of biomedically relevent technologies before they are mature enough to serve a user community." American Humane would argue that this charge applies to the development of alternative techniques, with specific reference to cell cultures.

Cell culture is a well established technique today but science has only scratched the surface of its potential as a tool in basic scientific research, especially in developing biotechnology. Science is still very ignorant about what cells need to grow in culture, the requirements for maintaining differentiated (e.g., muscle, nerve, liver, kidney) cells in culture, and the control mechanisms. It is important for a variety of reasons that the federal government support cell science centers to develop the resources and knowledge that will permit the full potential of cell culture to be exploited which will also, we suspect, lead to a reduction in the use of animals.

The American Humane Association, therefore, urges the DRR to augment its initial efforts to investigate and fund alternatives (e.g., see attactment 1, pages 55-56 of House Report No. 97-894 and the $2.3 million award to Duke University for a computer project) and to allocate funds for the establishment of at least four cell science centers around the country (e.g., Boston, Washington, Dallas, and Los Angeles) with core funding of at least $2 million. The primary mission of these centers should include the development of cell technology, research into growth requirements and controls, and graduate training programs for those wishing to use cell cultures. At the moment, the National Institutes of Health support for cell culture resources is negligible.

If the Committee on Appropriations is unwilling to identify new funds for these cell science centers, American Humane suggests that the $2 million be taken from the Primate Center Program which has a disproportionate share of funds available for research model development. We suggest that the investment in cell science technique development and education would have a significant beneficial impact on the growing U.S. biotechnology industry (see Office of Technology Assessment report on Commercial Biotechnology), on cancer research, on toxicology research and human hazard evaluation, and on many other fields of basic science.

National Toxicology Program (NTP)

In addition to the DRR, the NTP has a specific mandate to develop and validate new technologies. For the NTP, the mandate applies to toxicology testing and human hazard assessment. However, with the exception of short term tests for carcinogen detection, NTP has not done nearly enough to encourage innovation in toxicology testing. Forty percent of its budget is tied up in the bioassay program which not only provides relatively little return on the investment but it also has run into recent methodological problems (see Food and Chemical News article). There are also substantial scientific criticisms of the relevance of the bioassay (see attachment 2).

American Humane, therefore, proposes that the funds for the NTP bioassay program be cut by 50% over the course of the next three years. The funds that are freed up by this action should be allocated to a competitive extramural program in which grants are provided to successful project proposals from university, institute, and industry laboratories. These proposals should seek to develop and validate alternative toxicological techniques that reduce the use of animals,. that replace the use of animals altogether, or that reduce animal suffering and distress while, at the same time, improving the scientific base of toxicology testing and safety evaluation.

While we hope this approach will reduce our federally supported dependence on animal testing (we realize that it is impractical to expect to eliminate animal testing in the foreseeable future), the development of quicker and cheaper techniques is the only way that we as a nation are going to be able to deal with the tens of thousands of untested chemicals that are already in our environment, let alone the new ones that are being introduced every day (see attachment 3).

STATEMENTS OF DONALD J. BARNES, DIRECTOR, THE NATIONAL ANTI-VIVISECTION SOCIETY

Mr. CHAIRMAN, I am Donald J. Barnes, Director of the Washington, D.C. office of the National Anti-Vivisection Society. Our organization is headquarted in Chicago, Illinois where it was founded in 1929. The National Anti-Vivisection Society seeks to eliminate the use of animals in medical and biomedical research. Our Washington office monitors legislation and regulations, while our primary office in Chicago conducts research and educational activities to encourage alternatives to the use of animals in research. I am submitting written testimony to offer my organization's recommendations as to how the Department of Research Resources, Animal Resources Program, can best utilize their budget.

The Department of Research Resources (DRR), Animal Resources Program, presently supports 7 National Regional Primate Centers and other Laboratory Animal Sciences resources. In 1984, the House Appropriations Committee held hearings for DRR at which time Rep. Early (MA) asked DRR for an estimate of monies required for repairs of the primate centers to assure maximal productivity. DRR had recently completed a survey, finding that 13 million dollars would be needed to achieve this goal. The House Appropriations Committee recommended 2 million dollars be appropriated specifically for the repair of the NRPC's, while the Senate Appropriations Committee had recommended a zero increase. In conference, the House and Senate agreed to a 1 million dollar increase, a mere 1/13th of the amount DRR required to keep 7 NRPC's operating efficiently. By this action, the government clearly indicated that it did not intend to properly maintain 7 regional centers, but even after the Committee refused to appropriate sufficient funds, they failed to to insist (or even to recommend) that DRR close down some of the centers. DRR took no independent action to do so. As a result, the current situation is one of at least impending disaster as DRR has kept all 7 of the NRPC's open with a budget which is clearly sufficient to operate only 4 centers. It would appear that DRR's actions may have been deliberate in order to create a disasterous situation thereby forcing Congress to appropriate more money the next year for correction. In any case, whether DRR's action was a political ploy or not, their inert stance is both irresponsible and dangerous!

We advise the Congress to insist that DRR shut down at least 3 of the NRPC's. We do fully support DRR's motion for a 2 million dollar increase to its Animal Resources Program for 1985, however we support the establishment of centers for the development of alternatives to the use of animals in research and testing in lieu of the 3 primate centers. At least 2 million dollars should be appropriated for the planning and early implementation of such a project.

NAVS views animal research as expensive and inhumane. Far too much money is spent in direct support of animal models, i.e., food, shelter, heat, lighting, veterinary care, and pharmaceuticals. As science becomes more sophisticated, it generates ever-increasing costs, and it is inefficient to attempt to keep up with the escalating demands placed upon science with outmoded methodologies. In his testimony before your Committee on April 25, 1984, Dr. Ronald Hunt described some of the demands on medical science today. These included research into hypertension, atherosclerosis, heart attacks, cancer, hepatitis, diabetes, leprosy, màlaria, herpesvirus, and acquired immunodeficiency syndrome. It is clear that traditional animal models have not allowed us to conquer these diseases even though millions have been sacrificed toward this end. The scientific revolution in the 20th century provided new technological frontiers; we are presently on the threshold of another scientific revolution, but we must be conceptually flexible and in constant search for innovative techniques and methodologies.

A second issue I'd like to address is an amendment which was brought before your distinguished Committee on April 25, 1984 by Dr. John McArdle of the Humane Society of the United States. The amendment would prohibit federal funds from being spent on the purchase or use of random source animals for medical or biomedical research. Our reasons for supporting this amendment are as follows:

(1) The use of random source animals as subjects for research is clearly based upon faulty economic principles. The use of pound animals for research undermines the "shelter" concept, while practically assuring poor validity of experimental findings. Researchers do not know the ages, genetic backgrounds, vaccination histories or past health of these animals. The use of these animals requires a rigid and expensive quarantine procedure and vaccination schedule. The introduction of a new pound animal into an already-established colony of animals risks the spread of new diseases and parasites as well as the deleterious effects of stress which is unpreventable in such situations. Good science requires the fewest possible number of uncontrolled variables; the use of random source animals as experimental subjects is not the way to minimize variability in the laboratory!

(2) Taxpayers do not want their tax dollars used to buy their pets for research! The public has had enough! Eleven states have already banned pound seizure. Fourteen states have launched major citizens' campaigns against pound seizure. This clearly indicates national concern on the issue of pound seizure.

And, finally, we at NAVS would like you to consider a third issue relating to research accountability. Although 70 million is the best estimate to date, no one knows how many nonhuman animals are used in medical and biomedical research in the United States each year! This obvious dearth of acountability directly reflects the attitude of the scientific community toward nonhuman animals while defining a situation rife with potential for mismanagement and waste of governmental resources. Further, a huge percentage of experiments are repeated at both intra- and inter-laboratory levels each year. It is clear that an unpublished experiment is not available to a researcher doing a review of the literature; even so, a large number of animals are used in many unpublished experiments. Also, there are so many journals published today that even a large percentage of published experiments go unnoticed and are therefore repeated.

The National Library of Medicine, through its Regional Medical Library Program, has begun to make available to health practitioners resources from all of the nation's medical libraries in addition to resources from the National Library of Medicine.

Dr. Schoolman, Director of the NLM, in his recent testimony before your Committee, explained that, "Publication is an essential part of the research process. It is the mechanism through which results are announced and findings are submitted to the critical review of scientific peers. Without it the nation's vast investment in the generation of new biomedical information could not be justified. The National Library is the linchpin in this process, not only accumulating the vast body of published information but filtering it and providing selective access so that relevant research results are available quickly for application at the bedside." It is for these reasons that we support the request by the National Library of Medicine for $51,320,000 for FY 1985, with an increase of $1,100,000 over the FY 1984 budget.

In addition to increased funding for the NLM, we advise your Committee to appropriate funds to establish a National Center for Research Accountability. I now bring to the attention of this distinguished Committee the introduction of a new bill in the House. Congressman Torricelli (D-NJ) introduced H.R. 5098 on March 8, 1984. The bill would:

(1) Provide for a full-text literature search before the approval of federal funding for any research proposal involving the use of animals.

(2) Establish a National Center for Research Accountability which would ascertain which experiments have already been done before any new research using live animals would be funded.

(3) Require the National Library of Medicine to make the full-text of all research documents available to the nation's medical libraries for use by the research community.

In the long run, a National Center for Research Accountability would save millions of dollars which are presently being spent on repetitive research projects because researchers are unaware that similar research is underway or has already been accomplished in other parts of the country. We agree with Dr. Schoolman that until duplicative research is prevented, no new appropriations for biomedical research can be justified. We strongly recommend this Committee appropriate funds to finance the provisions in H.R. 5098.

THANK YOU.

Mr. Chairman, I am Donald J. Barnes, Director of the Washington, D.C. office of the National Anti-Vivisection Society. Our organization is headquartered in Chicago where it was founded in 1929. Our charter is to conduct research and educate the public toward finding alternatives to the use of nonhuman animals in medical and biomedical research. Our Washington office monitors legislation and regulations concerning the use of laboratory animals in research, in education and in testing.

Even a cursory appraisal of present approaches and methodologies in medical research demonstrates the generalized dependence upon the use of nonhuman animals in the laboratory. Our concerns, therefore, must be extended to these animals. It is to this end that I share with you our views about the enforcement of the Animal Welfare Act.

In 1972, the United States Department of Agriculture was given the responsibility to inspect certain establishments which handle animals intended for research, exhibition, and trade in pets to insure their humane treatment. It is our contention that the USDA has not been able to adequately carry out these responsibilities for several reasons.

The primary mission of USDA is the regulation of agribusiness, not biomedical research, yet this agency is held responsible for judging the conditions of laboratory animals and their environment. The APHIS currently employs 287 medical veterinarians, 166 animal health technicians, 26 compliance officers and only 6 animal care specialists. Of the 6 animal care specialists, one is assigned to each of APHIS' 5 regions, with 2 in the northern region. The animal care specialists alone work full-time on laboratory animal concerns while the majority of USDA veterinarians spend the greatest percentage of their time with other responsibilities such as farm and exhibit animals. When emergencies arise, such as the current outbreak of avian flu, these veterinarians are detailed to the pending crisis and are, therefore, forced to neglect routine laboratory inspections.

USDA personnel must contend with evaluating the operations of breeders, wholesale pet dealers and auction sales, suppliers of laboratory animals, traders and importers of exotic animals, animal brokers and air transport procedures. To understand the contingencies of each of these areas requires specialized skills and knowledge; the laboratory animal issue is an entirely different situation due to the relatively long-term confinement of these animals. Even so, the APHIS budget calls for a mere 1.5% of the already-severely-overtaxed funds to be used for training of personnel to properly accomplish this task! Given these conditions, I am impressed with their performance to date!

Further evidence that USDA is not equipped or is lacking in the capability to carry out comprehensive inspection of research facilities can at least be inferred from the fact that only once in the 12 years that APHIS has been inspecting research laboratories has a grant been revoked by NIH for violations of the Animal Welfare Act. Even on this occasion, the APHIS had inspected and approved the conditions of the laboratory several times prior to the closing of the laboratory by the police and local humane groups. Perhaps most important, it took private citizens alerting officials at NIH to the conditions of the laboratory before an inspection was made and the grant revoked.

We feel that legislation is desperately needed to redirect enforcement responsibilities to another federal agency. As the Department of Health and Human Services is the primary source of research funding, it would seem logical that DHHS should take responsibility for the condition of the animals under its jurisdiction. As it now stands, there is a split between responsibility and authority within government agencies; it is obvious that such a condition can only result in chaos. We further realize that such a change cannot be implemented overnight. In the interim, we hope for the strongest program that APHIS can manage. To this end, additional funds and increased Congressional oversight are requested.

The President's budget proposes 3.65 million dollars for the FY 1985 APHIS Animal Welfare Program. This figure represents a 1.2 million dollar cut from FY 1984. For the last 2 years, the Office of Management and Budget has proposed that APHIS adjust to a 70% budget cut. All routine inspections of zoos, exhibitors, animal breeding facilities and research laboratories would be eliminated. APHIS would handle only cases brought to their attention for infractions and would continue to carry out required prelicensing inspections. Such a limited effort is not acceptable to animal advocacy groups or members of the medical community. Consequently, the budget has been restored to the FY 1983 level to the present time. It should be noted that the budget has not been adjusted for inflationary effects; hence, an additional strain has been placed upon the existing program.

The Administration has consistently abrogated its responsibilities in the care and treatment of laboratory animals while holding high the banner of good science and not missing an opportunity to take credit for advances in medical science. As recommended by the Administration, Representative Edward Madigan (R-IL) introduced a bill (H.R. 3830) to extend authority of the Secretary of Agriculture to collect fees to cover the United States Government's costs incident to services rendered in connection with the enforcement of plant and animal quarantine laws, regulations governing the humane care, treatment and transportation of animals and for other purposes. The USDA has demonstrated an inability to properly inspect research facilities and has already been saddled with more responsibilities than it can handle without the additional responsibility of collecting user fees. If, for example, user fees were not paid in a timely fashion, the APHIS program would be stymied by the absence of authority for collection; the consequences could be disastrous.

A second plan was to cut the budget to 1.5 million dollars and to shift more responsibility to the states, industry, humane societies and the general public. In fact, non-federal funds for the APHIS program were cut from 1983 to 1984 and the proposed non-federal funding level for 1985 remains at the same level as 1984. The states are clearly not prepared to compensate for a federal budget reduction in the APHIS program!

Currently, the 4.8 million dollar Animal Welfare budget is broken down as follows:

Animal dealers	39%
Exhibitors	12%
Marketing searches (exotics)	2.5%
Investigating complaints	7%
Violations	20%
Carriers and handlers	5%
Training	1.5%
Inspecting research labs	13%

Our organization supports and recommends an increase in the annual budget for the Animal Welfare program at APHIS to at least 8 million dollars in order to give APHIS the necessary resources to implement an adequate program in training and inspection. We further recommend that APHIS be relieved of their responsibilities to monitor laboratories and laboratory animals as soon as possible by transferring these responsibilities to the United States Public Health Service. The ubiquitous presence of laboratory animals in medical and biomedical research in America defines the USPHS as a logical overseer of their welfare. Also, the USPHS staff includes many veterinarians specifically trained in Laboratory Animal Medicine. USPHS is, of course, directly accessible by the primary user of laboratory animals, the National Institutes of Health.

There has been much recent attention given to strengthening legislation on the care and treatment of laboratory animals. Although we find the pending legislation weak, we embrace any improvement on behalf of the animals. Legislation without adequate authority, i.e., enforcement power, is academic. Until a meaningful, comprehensive and effective program is developed in the area of Animal Welfare, the public, as well as the animals, suffer from mismanagement. For this reason, and because everyone is aware of the woefully inadequate program which now exists, we request a significant increase in Congressional oversight of the management of this progam.

On behalf of the National Anti-Vivisection Society, I appreciate the opportunity to share these recommendations with you.

STATEMENT OF DR. CONNIE KAGAN, NEW ENGLAND ANTI-VIVISECTION SOCIETY

The New England Anti-Vivisection Society is concerned about expenditures in the seven Primate Centers which are funded by the Division of Research Resources in the National Institutes of Health.

The Primate Centers program was established in 1961 and construction of the facilities was completed in 1965. The Centers are very costly in terms of animal suffering and in terms of tax dollars. Thousands of non-human primates as well as other species are used in the Centers. The total FY84 budget for the Centers was $21,596,000.

Evaluations of the Primate Centers show that these costs are too high to justify continued support of the current program.

An independent evaluation of the Primate Centers in 1971 pointed out serious problems in the program and noted that "the amount and quality of work emerging from the NIH-sponsored programmes does not appear to justify the great expense incurred." (Medical Research Council Report, UK, 1976)

In 1976, in a study of the mission of the Division of Research Resources by a panel of experts including the Director-designate of the National Institutes of Health, the panel noted that the Primate Centers had not produced research of a uniformly high quality.

In 1979, another review of the Primate Centers noted that the Primate Centers had not achieved a respectable reputation in the scientific community.

Researchers at the Primate Centers have been subsidized by the core support for the Primate Centers program, thus minimizing their need to present competitive research proposals.

The evaluation studies have noted problems in the quality of the research. Furthermore, much of the research is of questionable social utility. In 1983, there were studies on primate baldness. At a time of severe budget constraints for health and human services programs, baldness would not seem to be a high priority, even if the studies on primates were directly applicable to humans. For years, the Primate Centers have studied the effects of maternal deprivation on young monkeys. Without those studies, we know that children need parental nurturing. Yet, money is still being spent on such studies at a time when there are severe constraints on providing essential services for children.

Unfortunately, there are many more examples of experiments in the Primate Centers that are of questionable quality and/or of questionable social utility. There is clearly a need for change. We propose that $2 million be re-allocated from core support for resident researchers to the development of a cell science program to develop cell technology as an alternative to the use of animals in experimentation and testing.

Recent research efforts in privately funded programs have shown that cell technology is extremely promising as an alternative to animal use that is more humane, more reliable, and much less costly.

A cell science program would be a progressive step for animal protection and it would be a progressive step for human health. We urge you to establish such a program.

STATEMENT OF DR JOHN MCARDLE

Thank you for allowing me to present this testimony for your consideration. I am Dr. John McArdle, Director of Laboratory Animal Welfare for The Humane Society of the United States and Associate Director of the Institute for the Study of Animal Problems. My scientific background is in biomedical research, with a doctorate in Anatomical Sciences from the Department of Anatomy, Pritzker School of Medicine, University of Chicago. I have ten years experience working with laboratory animals, ranging from neurosurgery on monkeys to experimental surgery with random-source cats (i.e., such as those acquired from pounds or shelters).

I am here today to address a matter of critical concern to both your constituents and ours. The use of pet animals in biomedical research. Laws in several states currently mandate that pounds and/or shelters must release, on demand, cats and dogs for use in biomedical research, product testing or educational demonstrations. Pets are being stolen for use in biomedical research, either directly or via sale in animal auctions. This is occurring in states that allow pound seizure. Further, such dealers are now acquiring pets by answering such want ads as "free to a good home". The only way to protect these pets is to eliminate the need for random-source animals.

I am sometimes amused, but more often disappointed that members of the supposedly objective scientific community, routinely attempt to turn the topic of pound seizure into an emotional debate on issues that are actually irrelevant to the subject. The representatives of the biomedical establishment often attempt to portray the concerned citizens (your constituents), as irrational, emotional, anti-science animal lovers. They will make blatantly emotional appeals to our fear of death and disease.

The research community plays on the confusion that exists on both sides of this issue, and characterizes our concerns as an attack on all uses of animals in biomedical experimentation. The biomedical research establishment claims that animals are essential for the advancement of medical knowledge and that major advances have (in the past) come from the use of laboratory animals. We agree that, in some specific instances, this has been true. They will not, however, discuss the equal number of failures that have also resulted from experiments on animals, and about the people who suffered and died.

However, THIS IS NOT THE ISSUE. We are not here to attack biomedical research. Furthermore, we prefer to address the issues of today rather than relive past glories, attained at a time when biomedical research used primitive methods. Whatever role laboratory dogs may have played in the past, no one can truthfully state that pound animals were critically essential for any scientific advancement, or that scientific research will come to a screeching halt if cheap animals are no longer available. I want to stress in the strongest possible terms, that the use of animals in biomedical research and the advances that have come from that use are NOT the issue. There are three principal issues of concern to your constituents:

1. What is the proper function of a pound or shelter? Are they last humane refuges for animals who have lost their owners, or a warehouse to supply cheap, subsidized animals for biomedical research, product testing, and repetitious educational demonstrations?
2. What is the public perception of pounds and shelters, and how does this affect local animal control activities?
3. Whether or not these specific animals (pound dogs and cats) are suitable and actually needed for biomedical research.

International Examples

You should consider that the following international opinions are relevant to this issue:

1. The Council of Europe, in the draft resolutions on the use of laboratory animals advise against the use of pound (i.e., random-source) animals.
2. The World Health Organization recommends against the use of random-source animals.
3. The English government recently published a White Paper, describing suggested revisions to their national anti-cruelty laws. One of the provisions is a prohibition of the use of random-source animals.

4. Sweden and Denmark have banned the use of random-source animals.

Recent U.S. Examples

In December, 1983 the State of Massachusetts passed H6773, under the sponsorship of State Senator George Bachrach. The Senator's staff recently told me that the initial meetings, formulation, and final drafting of this legislation was done with the full cooperation and support of:

1. Harvard Medical School,
2. The Massachusetts Medical Society,
3. University of Massachusetts,
4. Various smaller research institutions.

This legislation includes the following provisions:

1. Repealed pound seizure laws in Massachusetts,
2. Prohibited the sale of animals from pounds,
3. Provided that only humane methods of euthanasia can be used,
4. Banned importation of pound animals into Massachusetts,
5. Expanded inspections of research facilities by representatives of humane societies.

If the largest private biomedical research entity in the world (Harvard University and affiliated institutions) and largest government biomedical research facility (the National Institues of Health) both do not use pound animals, perhaps you should inquire why your local institutions insist on continuing such outdated practices?

The use of pound cats and dogs is currently banned in the states of Connecticut, Rhode Island, Maine, Pennsylvania, New Jersey, Hawaii, Massachusetts, and Vermont. In addition, local county and municipal governments have enacted such bans.

In terms of economics, the primary concern in utilizing pound dogs is simply that they are apparently cheaper than purpose-bred animals. That isn't necessarily true. If we examine the basic costs per random-source animal, it can be anywhere from three to eleven dollars. Conditioned random-source animals can cost $140.00 to $170.00 or more.

Purpose-bred animals may be $260.00 or more. There appears to be a higher cost for the institutions that use the purpose-bred animals. However, this would only be true if those research laboratories continued to consume dogs at their present levels of usage. Because the pound animals are cheap, they are routinely used in trivial and unnecessary research and teaching demonstrations, for which cheaper alternatives are presently available.

Research that has, in the past, been done with dogs can often now be conducted using pigs. A ten to twelve kilogram dog can cost $400.00 (for a purpose-bred animal). A fifteen to approximately twenty-five kilogram pig can cost from $50.00 to $75.00. Pigs are often better models for such studies as cardiovascular research, general physiology, etc. Pigs, in fact, are more economical and are an alternative to the pound dog. It is interesting to note that the Johns Hopkins University Medical School now uses pigs exclusively in their basic physiology and surgery courses (as a replacement for pound dogs).

If you only look at the cost of initial acquisition of the pound animal, you are not examining the real situation. Researchers are seldom billed for the total cost involved with their animals. There are hidden costs, such as conditioning the pound animal. Institutions can do this themselves. Surveys indicate this cost can range from $40.00 to $120.00 per animal, sometimes more. In addition, you have the maintenance cost for the conditioning area itself, for the staff that are in the area, and for the procedures that are conducted on the animals.

The different survival rates of pound and purpose-bred dogs also have an effect on true costs of those animals. Studies in Colorado on renal transport had fifty percent mortality with pound dogs. In a recent study of experimental cardiac surgery, only 36 percent of the pound animals survived with a normal EKG and thus provided valid data. The only comprehensive study designed to compare purpose-bred dogs versus conditioned pound dogs, was an investigation of cardiac valve replacement surgery done several years ago in Oregon. If the studied required 100 dogs (of each type) to survive the surgery in order to get statistically valid results. The final numbers and costs would be:

	Purpose-Bred Dogs	Pound Dogs (Random-Source)
No. needed to have 100 survive	108	137
Purchase Price (120 & 34)	$ 12,960.00	$ 4,658.00
Blood Donor Dogs (34)	3,672.00	4,658.00
Chemicals/Equip (268.21/ea)	28,966.68	36,744.77
Recovery Room (6.40)	691.20	876.80
TOTAL	$ 46,289.88	$ 46,937.57

This does not include the additional costs for the surgeon's time, overhead, autopsy, or the technicians involved in the additional surgeries on the pound animals. In this case, there were thousands of dollars in increased costs associated with the use of pound dogs, just because they do not survive as well.

The biomedical research community frequently claims that prohibiting the sale of pound cats and dogs will cause major increases in the cost of research projects. Often this includes statements about large percentage increases in individual grants. You should consider the following:

1. Only 15% of the total amount of any research grant can be used to purchase animals. This is the only portion subject to any cost increases, not the entire grant.
2. Increases in this 15% may be offset by savings on conditioning expenses and better survival rates.
3. Federal granting agencies have emergency funds to which researchers can apply to cover unexpected cost increases with existing projects.
4. If new projects are valid and significant, they will be funded regardless of the cost of the research animals. If it is not a good proposal, then perhaps it should not be funded and the taxpayers' money could be saved.

Are Pound Animals Appropriate Research "Models"

One of the problems in any field of biomedical research is how to understand something as complex as an entire organism. Most studies attempt to reduce or somehow control variables and to minimize potential unknown factors. A basic principle of experimental science is reproducibility. If a particular procedure, test or result is not reproducible, then its validity is questionable. Use of random-source animals, such as those acquired from pounds, causes problems in this area. There is a need for standardization of animals for any type of research involving physiology, experimental pathology, immunology, pharmacology, toxicology and related areas. The researcher must be able to differentiate between the effects of the experimental procedure and any pre-experiment conditions of the animal subjects utilized. Colony-bred animals are the appropriate subjects in such areas of research. They are characterized by:

a. precise genetic history: thus eliminating inherited disorders that might produce abnormal physiological or morphological variability;
b. pathology free;
c. parasite free;
d. a proper history of gestation, weaning and subsequent postnatal development (esp. with regard to nutrition);
e. have established, predictable, stable physiological parameters;
f. are raised under conditions of humane treatment and minimized psychological stress; Are accustomed to the procedures and environments found in laboratories.

This last characteristic (i.e., stress) is critically important. It is now well-established that the psychological condition of an animal has a pronounced effect on the responses of that animal to drugs, anesthetics, etc. You should consider which is the better model: (1) a colony-bred dog who is conditioned to laboratory workers, or (2) a dog who may have been severely stressed either while a pet or while a feral animal. Even pets from ideal homes will be stressed in the laboratory environment.

Use of standardized animals should also cause a reduction in the total number of animals used. My experience at the University of Chicago (and more recently at other institutions) indicated that random-source animals include those that:

1. die on arrival
2. are somehow unsuitable for the procedure or test and are destroyed without being used,
3. have serious health problems that appear after the start of an experiment,
4. are suitable for experimental use.

Problems with random-source animals are not unusual and many individuals have commented on this situation. Dr. Thomas Bowery noted, while Director of the Animal Resource Division of NIH, that

"The investigator may be making measurements to the fourth decimal point with a sophisticated instrument but using an animal with an unknown disease history or unknown genetic stock." In fact, banning may enhance research by encouraging the reduction or termination of redundant or superfluous projects. This is precisely what happened when the export of rhesus monkeys to the United States was banned and the cost of individual animals increased more than 500 percent. No critically needed research stopped, animals were still available (through domestic breeding) and the quality of biomedical research using primates increased. The sudden increase caused no serious hardships on the biomedical research establishment. Perhaps the strongest argument in favor of this position is the simple fact that only six of the fifty states have a total or partial pound recovery law. Significant biomedical research is not limited to those six states and researchers in the remaining forty-four states are not having disproportionate problems conducting research, acquiring grant support or obtaining needed experimental animals.

In New York, research was conducted before enactment of their pound seizure law. At the time of repeal in 1979, few shelters were supplying animals and such institutions as Columbia University, Rockefeller University, New York University, and S.U.N.Y. Stonybrook were not using shelter animals, but were engaged in biomedical research.

The pharmaceutical industry has long recognized the need for standardization through purpose-bred animals in order to control variability in their tests. With regard to random-source animals, the Food and Drug Administration, in 1963, indicated that "the use of such animals in research programs, often resulted in a succession of questionable or unintelligible data when an experiment was terminated." The National Institutes of Health (NIH) found that initially random-source dogs were unsatisfactory even if they were conditioned. One of their reports noted that "the continued acceptability in the research community of ill-defined and chronically abused dogs is one of the enigmas of modern biomedical research." From 1965 to 1970, 64 percent of the dogs that were brought to NIH were accepted for quarantine. Ten percent of them died and 55 percent of them suffered some additional type of illness. In 1971, the NIH switched to using only pre-conditioned random-source dogs. They still had 23 percent of the dogs either rejected or succumbing to illness. NIH now uses purpose-bred dogs exclusively for their intramural research. They do not, however, require that their grantees do the same. The Laboratory Animal Science Association in England states that "for scientific, economic, and ethical reasons, all dogs and cats and other common animals used in research should be bred for this purpose." I think it is important to point out that in England, dogs and cats are not used for practice surgery and training veterinarians. It has been illegal for over 100 years, yet they still manage to produce highly qualified surgeons and veterinarians, as indicated by the attached letters.

Dean Pritchard of the School of Veterinary Medicine at Davis noted in 1968 that "...the biologist can ill afford to treat animal experimentation in the same naive manner as is currently the fashion. It is all too common to find multimillion dollar research projects, consuming the time of highly talented scientists, based upon studies on animals from city pounds, with little thought given to their suitability for the research being conducted..."

Dr. Robert Van Citters, Dean of the School of Medicine at the University of Washington noted in 1973 that "at one point in the history of research there was some justification for the use of the semi-starved and anemic, worm-laden pound animal or random rabbit... I think the need for standardization in our animal stocks is all too obvious."

The purchasing department at the University of California in San Diego once distributed a letter regarding their need for dogs. It states "animals raised for the University may be used for biomedical teaching and research. Because of the importance of the research, it is imperative that the animals supplied have traceable backgrounds and are accustomed to confinement to minimize behavioral problems and to facilitate handling."

There are several areas that are often mentioned as arguments in favor of using these animals. One is the genetic diversity argument. The reasoning here is fallacious. If you want genetic diversity, you can produce it through purpose breeding where you will have some idea of what genetic stock you are starting with.

There is a great deal of difference between genetic diversity and genetic ignorance. If you're going to take this same approach to genetic diversity and what is important to protecting humans, then we should stop using all of the purpose-bred animals (i.e., rats and mice). Perhaps constituents should live-trap as many mice and rats as possible and sell them to the biomedical research laboratories (i.e., if random-source animals are superior to purpose-bred). Either we collect all of the animals in the wild to provide for medical research or we breed them because purpose-bred animals are more reliable. Researchers cannot have it both ways.

Researchers often confuse the difference between "mongrel" dogs (which may be necessary for some experiments) and "random-source" dogs. Mongrel dogs have a known, mixed genetic background. Random-source dogs, however, are not equivalent, since they have a totally unknown genetic background. For this reason, the University of California, San Diego, established a "random-source" breeding colony to provide "mongrel" dogs for their research and teaching programs.

Basically, it is tradition, illusionary apparent low cost per pound animals, and lack of appreciation of what constitutes good science that continues the use of random-source animals in research and teaching. It is not the result of necessity. I strongly urge you to end the practice of pound seizure. Both to make this a more humane country and to improve the quality of the work done at our biomedical research institutions. This can be accomplished by sponsoring and supporting our amendment to the NIH appropriations bill that would prohibit the expenditure of funds to purchase or use random-source animals, acquired directly or indirectly from pounds or shelters, in new NIH funded research projects.

STATEMENT OF OUR ANIMAL WARDS

OUR PLEA FOR COMPETENCE AND CONSIDERATION

The scattered organization of standard care for animals in research and the use of alternatives means DUPLICATION of suffering and lack of precision in findings. We believe that DHHS and PHS, which distribute the funds to USE animals, should take responsibility for these essential subjects in an INFORMATION CENTER for that purpose.

In support of this position, we enclose:

- An article by DR. JAMES B. WYNGAARDEN, Director of NIH, in Science, Vol. 223, entitled "Nurturing the Scientific Enterprise." He describes funding problems for auxiliary services, such as animal care.
- Two articles written for Our Animal WARDS -- one by DR. ANDREW ROWAN, entitled "Clearinghouse Ideas to End DUPLICATION," and another by JEFF DINER describing how "Animal Care is Lost in the Shuffle."
- LEE TORRY'S "The Agony of Primates in Research" from the May issue of Science Digest. He concludes, "The ethics of using primates may be many years away ... there is an immediate issue of how they are shipped, housed, and handled."
- Four charts which fortify our premise that responsible organization for care and alternatives should be under DHHS and PHS. Charts 3 and 4 are taken from a publication by JAMES D. WILLETT, Ph.D., for the NIH Division of Research Resources.
- Eleven facts that spell out the present confusion, which should be eliminated for ethical, economic, and efficiency reasons, follow.

IGNORED ANIMALS MEAN SUFFERING IN MANY WAYS	WE NEED AN INFORMATION SERVICE FOR ANIMAL CARE AND ALTERNATIVES UNDER DHHS AND THE PUBLIC HEALTH SERVICE

- In a research system, where lack of concern for care and environment for animals are permitted, variations and stress are destructive factors that foster DUPLICATION.
- DHHS has the responsibility to coordinate a DEPENDABLE service since it funds the grants to USE animals.
- NIH, in its understandable ambition to expand and maintain its goals for research, has had to "shift" its funds away from services which should be an organized part of every professional research team.
- The subjects of care and alternatives are not included in the National Library of Medicine.

- These two services have been demoralized from the beginning by meager budgets that fluctuate more often down than up reflecting a lack of interest.
- The Office of Technology Assessment is proceeding with a study that could revolutionize the current clinical laboratory screening. These facts should be made available at a center. Now, time consuming ancient systems are used that cannot be teamed up with modern health requirements. The new systems are quicker, vastly more merciful and can provide replacements for many animals.
- DUPLICATION is caused by the repetition of research projects at different centers to evaluate results of a research finding. It happens when there is a variety of research requirements for animal care. This should be as meticulous as possible to avoid disorderly, wasteful torture.
- The deplorable environment for animals in research is not exaggerated. We have figures that show that this has been an invisible subject for years.
- Again DUPLICATION is caused by the use of wrong models or the selection of unsuitable alternatives.
- The Biomedical Lobbies have fought this progress for years, while backing increased funds to USE animals.
- This information, to modernize care and the use of alternatives, should be on a Federal computer system and inexpensively available for science and citizens.

Without Systems Means DUPLICATION Of Suffering

DHHS Spends Billions to USE Animals

STATEMENT OF DR. OLEG JARDETZKY, PRESIDENT, ASSOCIATION FOR ADVANCED TECHNOLOGY IN THE BIOMEDICAL SCIENCES

Mr. Chairman, Members of the Committee, it is my duty and privilege to bring to your attention the need for continued congressional vigilance and action to permit the timely introduction of the rapidly developing sophisticated modern technology into Medical Research and ultimately into the Practice of Medicine. Over the past decade it has become increasingly clear that complex and sophisticated technology - high speed computers, high resolution Nuclear Magnetic Resonance (NMR) instruments, synchrotron radiation facilities, million electron volt electron microscopes and others - will have an enormous impact on the future course of Medical Science and

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* These facts can be verified by charts and articles which we will send FREE of charge. Write WARDS, 2225 Observatory Place, N.W., Washington, D.C. 20007.

Clinical Practice. This impact has grown dramatically over the past two or three years with the development of whole body NMR scanners that permit the study of the anatomy and chemistry of the human body in unprecedented detail in a completely noninvasive and safe manner. Unfortunately, the problems of funding this type of costly instrumentation for Medical Research (unit costs of $1.5 - 2.5 M, with an estimated capital investment for instrumentation and specialized facilities required for a leading program in this field of $8 - 10 M) have grown correspondingly. The categorical institutes of the NIH have no instrumentation programs capable of handling proposals requiring a capital outlay of this order of magnitude. The only NIH program designed to support this type of technology is in the Division of Research Resources - The Biotechnology Resources Program with an annual budget of $32,464,000 for FY 1984 and a proposed budget of $34,448,000 for FY 1985 (1.7 M of which is earmarked for the PROPHET Computer Resource). We would like this year to focus your attention on the important role and the urgent needs of this program.

Recognizing the urgency of meeting the instrumentation needs of the biomedical community, Congress in 1981 mandated a report from the National Institutes of Health on Shortages in Research Equipment and Instrumentation. This report, submitted in February 1982, recommended an addition of $20 M/year for five years for the Shared Instrumentation grant Program to replenish and maintain the adequacy of the biomedical research community's needs for instrumentation. An additional $5 M annually for five years was designated to bring the funding of the BRP to a level commensurate with its mission. This was BEFORE the explosive development of some of the new technologies.

On the basis of this report a total of $12.5 M was added by Congress to the DRR budget in FY 1983 and the BRP budget was increased by $2.5 M. No further increase was requested in the President's budget for FY 1984. However through timely Congressional action an increase of $5 M for the BRP budget in FY 1984 was provided. We again note with distress that NO further additions as recommended by the 1982 NIH report are incorporated into the President's budget for FY 1985.

This is in stark contrast to the perception of the need in the biomedical research community. During the past year it was my privilege to chair a panel of distinguished scientists which made its report to the Division of Research Resources at a meeting held in Washington, D.C. November 14-15, 1983.

The panel was constituted to consider the implications of the growing importance of new and advanced technologies - such as NMR, computer systems, and synchrotron x-ray sources - for the development of biological and medical sciences. In its initial deliberations the panel noted that the impact of such technologies goes far beyond the responsibilities of any single NIH institute and that the existing NIH mechanisms for funding the development of their applications to medical science and clinical practice have not proved adequate to keep pace with the developments that in recent years have largely occurred abroad.

The development of a biotechnology may be considered to proceed in three stages:

(1) Conception and development of instrumentation and/or methodology.

(2) Validation and development of specific biomedical applications.

(3) Distribution of usage, which depending on the cost and the scope of the impact of a specific technology may take the form of either

- (a) Commercialization of instruments or methodology, such as computer software
- (b) Minireplication of prototype instruments, or
- (c) Continued service as a national or regional resource, in cases where commercialization is not feasible for reasons of either very high costs or of a limited market.

The panel unanimously concluded that the concept of the BRP is ideally suited to meet the NIH responsibility for all three stages of development of new technologies. The present budget, however, is too limited and the emphasis in its policies on research and activities specifically related to user service is too restrictive to successfully discharge this responsibility.

Several instances of technologies conceived in the United States, but developed largely in other countries were cited. NMR imaging, invented in 1971 by Paul Lauterbur at the State University of New York is a prime example. This technology now has an enormous impact on medical research and clinical practice. For lack of adequate NIH support for its development, the scope of its clinical usefulness was demonstrated first in Great Britain.

The panel unanimously endorsed the following recommendations to facilitate the development of new medically applicable advanced technologies in the United States:

(1) The NIH should take responsibility for all three stages of development of a new technology and the mandate of the BRP should be broadened accordingly.

(2) Specifically, the BRP should have responsibility and funding for research in the development of new instrumentation and technologies, without an immediate expectation of all other resource functions as currently defined (collaboration, service, etc.). In keeping with this concept its name should be changed to "Biotechnology Research and Resource Program" (BRRP).

(3) The budget of the BRP is not sufficient to support its responsibilities even as presently defined. To support the broader responsibilities for research and development of new technologies a budget in the range of $40 - 100 M would be more appropriate in the next few years, and doubling the BRP budget from its FY 1984 level over a period of five years should be set as a goal.

(4) The policies of the BRP should be updated to give due recognition to the fact that in a center developing new technology different functions are appropriate at different stages of development.

(5) New policies and criteria for funding the third stage of technology development are needed, recognizing that some centers may be phased out

as commercialization proceeds, while others involving high costs and limited markets may need to be maintained as academic research and service centers.

(6) Teaching through workshops and visiting scientist programs is an important function at the second and third stages of technology development, and funds should be provided to centers at that stage specifically for this purpose. In addition some areas of biomedical technology require specialized formal training opportunities that may not be provided optimally through traditional degree programs. As a result, the BRP should play a facilitating role in the development of training programs in new interdisciplinary fields relevant to biotechnology research.

(7) Recognizing that the technological needs of medical science fall into two distinct categories - i.e. (a) replacement of obsolete (commerically available) instrumentation and (b) development and introduction of new technology, it is appropriate for the DRR to maintain two instrumentation programs, i.e. the Shared Instrumentation grant Program to meet the first need and the Biotechnology Resources Program to meet the second, but the distinction between the mandates of the two programs should be clearly delineated.

Members of the panel: Chairman - Oleg Jardetzky, M.D., Ph.D.,
Professor of Pharmacology
Chairman of the Directorate
Stanford NMR Center
Stanford University School of Medicine
Stanford, CA

Saul Amarel, D. Eng. Sci.
Professor of Computer Science
Chairman, Department of Computer Science
Rutgers State University of New Jersey
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Michael Beer, Ph.D.
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William R. Sherman, Ph.D.
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Edward H. Shortliffe, M.D., Ph.D.
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Stanford Univ. School of Medicine
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In the view of our Association the recommendations of this panel represent the minimum steps necessary to establish a program within the NIH that will adequately meet the needs of U.S. medical scientists for a new sophisticated technology and provide an opportunity for U.S. leadership in the introduction of modern technology into medical research and clinical practice. The Association therefore strongly urges Congressional action to implement the recommendations of the current panel and of the original 1982 NIH report for strengthening the Biotechnology Resources Program. Specifically it recommends that the annual $5 M increment in the BRP budget requested in the 1982 NIH report be mandated for FY 1985, increasing the appropriation for the program from $34.448 M as requested in the President's NIH budget to a total of $39.448 M in FY 1985.

STATEMENT OF JOHN M. CORNMAN, EXECUTIVE DIRECTOR, THE GERONTOLOGICAL SOCIETY OF AMERICA

PREPARED STATEMENT

Senator WEICKER. We now move on to the National Institute on Aging. And the first witness is John Cornman, executive director of the Gerontological Society of America.

[The statement follows:]

STATEMENT OF JOHN M. CORNMAN

Chairman Weicker and distinguished members of the Subcommittee, I am John M. Cornman, Executive Director of The Gerontological Society of America, the national scientific organization for researchers, educators, and practitioners in the field of aging. Founded in 1945, and now serving 5800 members around the world, the Society is concerned with the development and application of knowledge in all aspects of aging. My testimony today is on behalf of the Society and is directed specifically to the FY 1985 budget proposals for the National Institute on Aging, the National Institute of Mental Health - Center on Aging, and the Administration on Aging.

We are all quite aware of the dramatic changes taking place in the age structure of our nation. By the year 2000, there are likely to be 36 million or more Americans aged 65 years and older. More importantly, about half this number will be 75 years of age or older, with persons 85 years and older constituting the fastest growing group.

The magnitude of change resulting from the aging of the nation's population makes it clear that responses from the public sector will be required. As more people live longer, health, social, economic, and other problems associated with aging increase and, therefore, the demand for services increases as well, particularly health care. With regard to health care, two other demographic trends may influence the demand for health services: (1) more elderly will be living alone and without children; and (2) the elderly will have more education and are more likely to seek health services. The increased number of working women, traditionally the primary caretakers of the elderly, will also impact the health care system.

In 1980 approximately $65 billion was spent on health care for the elderly. By the year 2000 these costs are expected to rise to more than $90 billion. With spiralling health care costs and a rapidly expanding frail elderly population, the amount of public dollars needed for health care alone can only be expected to skyrocket. Thus, a major emphasis in the coming decades must be placed on maximizing and extending the independence of the elderly.

The Administration and Congress, while concerned about escalating costs of medical care, have overlooked or under-appreciated the opportunities for prevention and intervention strategies. Federal budget proposals over the last few years have failed to support the program growth necessary for two areas that contribute significantly to reducing societal costs: gerontological/geriatric research and professional training. In 1980, the federal government appropriated less than .3% of what was spent on health care for the elderly on gerontological/geriatric research, education, and training. It is estimated that only about 1% of all expenditures for training and research in the health field is concerned specifically with issues of aging, while the elderly account for 29% of all health care costs.

If we as a nation expect to adequately address the future needs of our elderly and keep health care costs under control, more federal dollars must be invested in gerontological/geriatric research, education, and training.

The Gerontological Society of America recommends the following increased FY 1985 funding levels:

(1) The National Institute on Aging - $145 million, a 3% increase over FY 1984 levels, allowing for modest program expansion and for increased operational and research costs;

(2) The National Institute of Mental Health, Center on Aging - approximately $26 million, providing for continuation and expansion of the clinical training program and for further growth of the research program, now in its infancy; and

(3) The Admininstration on Aging, Title IV - $28.5 million, representing a 30% increase over FY 1984 levels but only a partial restoration of 1980 funding levels ($50.4 million).

These totals include increases for both the research and education and training programs for each of the agencies and are intended to: (1) strengthen the development and support of gerontological/geriatric research, and (2) expand support for education and training for research and for services.

RESEARCH

The National Institute on Aging (NIA) has made significant research advances in a number of areas including: Alzheimer's disease, urinary incontinence, hip fractures, as well as providing a better understanding of "normal" biological and psychological aging and of changes that occur with age but are due to diseases of other external environmental factors. The momentum of this progress must not be lost. For example, research has led us closer to unraveling the mysteries of Alzheimer's disease, but further investigation is needed. There are also other unexplored areas. The oldest-old of our nation, those 85 years and over, for example, are the most rapidly growing segment of our population, yet very little is available on this population in terms of their continuing good health and functioning, as opposed to degrees of disability. In-depth studies are also needed on black and Hispanic populations. Another area of extreme importance is the application of new techniques of molecular biology toward the understanding of aging.

The 2% increase proposed for the National Institute on Aging (NIA) in the President's FY 1985 budget represents a no-growth policy by the Admininstration. $1.5 million of the proposed $2.5 million increase is absorbed by built-in increases. While NIA anticipates that some savings will be accomplished through management efficiencies, almost the entire proposed increase will be used to support 10 additional competing research projects and 9 additional trainees above FY 1984 levels. It should be noted, however, that the decline in continuation grants (54 less in FY 1985), coupled with the increase of 10 competing awards, results in a net decline in total research project grants of 44 awards. The remainder of the extramural program, including research centers, research career awards, other research, and research contracts would remain at FY 1984 levels, allowing little if any expansion of the research program.

Another affected area is the Clinical Trial on Systolic Hypertension. The total estimated cost in FY 1985 for the trial is $8 million, to be shared equally with the National Heart, Lung and Blood Institute. The proposed FY 85 budget provides $1 million for the trials. An additional $3 million is required for NIA to fund its full share of the trial.

The Gerontological Society of America recommends that support for NIA's new and competing research grant projects and intramural research be expanded and that the centers for Alzheimer's disease research be maintained at at least FY 1984 levels.

In addition to being the fastest growing segment of the population, the elderly also account for the highest prevalence of mental disorder of any adult age group. Psychopathology of most types increases with advancing chronological age. The most commonly recognized disorders include the prominence of depression in late life; the rapidly increasing suicide rate in persons over the age of 65; and the devastation of Alzheimer's disease, which looms as more and more of a risk as chronological age advances. There are numerous other disorders which occur with a high frequency in this age group that have not been systematically and empirically studied.

In view of the high incidence of mental disorders in later life, the relative youth and underdevelopment of the field of clinical geriatric research, there is an urgent need to increase the presently meager knowledge base regarding the major mental illnesses of later life.

In addition to the need for more knowledge, some of the research findings from the growing knowledge base of geriatric mental health now need to be applied to the service delivery system. The well-documented effect of Alzheimer's disease on its victims and their families is one example. Until a cure for Alzheimer's disease is discovered, research-based ameliorative management techniques offer the only real hope for improving the quality of life of the victims of the disease, their families, and other informal caregivers. There is a need to demonstrate and evaluate, from the range of community and institutional services relevant to the disease, the optimal services delivery patterns required to: maintain individuals in the community, delaying institutionalization; optimize the quality of life and functioning when no other alternative is available; and to provide supportive interventions to family members and other informal caregivers.

Research has also shown that we have a growing chronically mentally ill elderly population. Approximately 30% of persons in public psychiatric facilities are age 65 or older and an estimated 60% of nursing home residents have a mental disorder. There is a need to develop and evaluate replicable models of care that sustain and maximize the level of functioning and quality of life of elderly individuals affected with chronically debilitating mental illness and to reduce the suffering to both the individuals and their families.

The Gerontological Society of America recommends continued development and support of epidemiological research, clinical research, treatment assessment studies, services research, and prevention and behavioral studies related to mental health and aging. In addition, the Society recommends that demonstations be funded to develop services approaches for Alzheimer's disease victims and their families, and for the chronically mentally ill elderly and their families.

Because an aging society is a new phenomenon for western society, there is little experience to guide future actions. Congress and other decision makers need information about demographic, economic, health, and other trends among the elderly, the kinds and levels of service needs the trends will create and the kinds and numbers of personnel required to meet the needs. The research and demonstration programs conducted under Title IV of the Older Americans Act take on increasing importance in meeting this challenge. However, federal support for Title IV has continued to decline over the past few years and the President's proposed FY 85 budget would essentially eliminate the Title entirely.

The Gerontological Society of America recommends that support for research and demonstrations under Title IV be expanded and include: (1) establishing in cooperation with other agencies, an on-going demographic data base providing information on the elderly population by age grouping, sex, race, geography and such other categories deemed important to public policy needs; (2) identifying and projecting needs of older Americans; (3) determining the kinds and levels of programs needed to meet those needs; and (4) determining the kinds and numbers of personnel that will be required to meet those needs.

EDUCATION AND TRAINING

As the elderly population and its demand for services expand, so does the need for persons with knowledge and skills in planning and delivering services to the elderly and for trained researchers and scientists to discover more effective and efficient ways to deliver services and to devise improved methods of prevention and care for the aging and aged. How well prepared will we be to meet this challenge?

Presently, faculty and investigators with special preparation in gerontology and geriatrics are in short supply and estimated to range from 5 - 25% of the number required in the various fields. The Department of Health and Human Services recently published a report which estimates we will need a total of 2,000 to 2,600 physicians and other academic investigators by the year 2000. The National Institute on Aging is currently graduating 95 individuals from its various programs annually. If these programs continue at the same level, only 1,560 trainees will be graduated by 2000; allowing for retirements of existing faculty and attrition of new trainees, the net additional number of professionals would be approximately 1,000. Using the FY 1985 budget as the baseline, we can expect a shortfall of about one-half the projected need in the year 2000.

To meet at least 50% of the projected total need for trained medical school faculty and investigators over the next 5 years, approximately 110 additional trainees and fellows and 20 additional medical school faculty leadership positions are needed.

The Gerontological Society of America recommends that $4.7 million additional monies be appropriated for each of the next five years for the training of these additional medical school faculty and investigators. In addition, the Society supports the initiation of two new research career awards: the Physician Scientist Award and the Behavioral Special Emphasis Research Career Award.

In the area of mental health, we know that the elderly have the highest prevalence of major mental illness, suicide, institutionalization, and medication usage. Until 1978, however, the country had neither a solid core of geriatric content in clinical curricula, nor a group of qualified teachers to transmit new knowledge relevant to treatment and prevention in the care of the elderly. Only one specialty training program existed in the U.S. at that time.

In 1978 the Center for Studies of the Mental Health of the Aging at NIMH launched a new program to develop a cadre of expert teachers in mental health and aging. They have approached this in two ways: (1) the establishment of a limited number of new specialty training programs to develop highly trained new people in aging; and (2) the initiation in 1982 of an innovative new research teacher program designed to allow appropriately qualified and geographically dispersed training centers the opportunity to have a key faculty member "retooled" in the area of geriatric mental health in order to become that training program's resource person for catalyzing and coordinating research efforts focused on the elderly. In only one and a half years the number of specialty training programs in geriatric psychiatry dramatically increased from one to seven. In FY 1983 approximately $2.25 million in new awards was granted, and the demand and interest from the field so great that at least twice as much could have been spent on these programs.

Just at the time when these programs are beginning to really develop and have an impact, the President's FY 85 budget calls for elimination of the clinical training programs at NIMH.

The Gerontlogical Society of America recommends that the clinical programs slated for elimination in the President's proposed FY 1985 budget be funded at $5.5 million for FY 1985. In addition, the Society supports the establishment of training centers for development and evaluation of curriculum, materials development and testing, continuing education, and as sites for training and re-training of faculty in each of NIMH's core areas and in multidisciplinary team approaches.

In addition to the need for trained researchers, faculty, and clinicians, there is also a growing need for personnel with knowledge and skills in social gerontology and the delivery of human services. They include professionals from a broad array of fields including education, public admininstration, social work, and home economics.

While several studies have been undertaken to determine future personnel needs in the field of aging, there remains a dearth of reliable data. It is clear, however, that the rapidly expanding older population will bring with it a corresponding need for trained personnel. For example, a private manpower forecasting service recently projected an increase in demand for 900,000 gerontological aides and social workers in the year 2000. This represents only one of many areas requiring additional trained personnel.

The Admininstration on Aging's Title IV program is the principal source of federal support for the education of service delivery trainers and practitioners. It is also the program that has been hardest hit by budgetary cutbacks. The levels proposed for Title IV in the President's budget ($5 million) would essentially eliminate this much needed program.

The Gerontological Society of America, in an effort to strengthen and expand the Title IV education and training programs, recommends the following:

- o provide support for preparing an increased number of qualified faculty to teach gerontology;
- o increase support for the development of specific educational materials to improve curricula in gerontology;
- o provide support for the collection and analysis of data concerning the status of teaching and practice in gerontology;
- o provide support for the development of re-training and continuing education opportunities concerning gerontological issues;
- o expand support for special educational facilities such as the Aging Policy Centers and the Long Term Care Gerontology Centers; and
- o expand support for activities directed toward addressing the lack of personnel trained to meet the community service needs of racial and ethnic minority elderly.

In summary, we are facing the aging of the American population with dramatic increases in our frail elderly population. This will pose many challenges and require many decisions on the part of policy makers. Because an aging society is a new phenomenon, it is critical that we invest money now in research, education, and training to guide our future actions. The payoff will be more effective and efficient programs for the elderly and cost savings achieved by maximizing and extending the independence of the elderly.

SUMMARY OF RECOMMENDATIONS

National Institute on Aging - $145.0 million (FY 1985)

Research

- expand support for NIA's new and competing research grant projects
- expand support for intramural research
- maintain support for the centers for Alzheimer's disease research at at least FY 1984 levels
- provide the additional $3 million required for NIA to fund its full share of the Clinical Trial on Systolic Hypertension

Education and Training

- provide an additional $4.7 million for each of the next five years for the training of additional medical school faculty and investigators

- provide support for NIA's two new research career awards: the Physician Scientist Award and the Behavioral Special Emphasis Research Career Award

National Institute of Mental Health - Center on Aging - $26.0 million

Research

- continue development and support of edipemiology research, clinical research, treatment assessment studies, services research, and prevention and behavioral studies related to mental health and aging

- fund demonstrations to develop services approaches for Alzheimer's disease victims and their families, and for the chronically ill elderly and their families

Education and Training

- provide funds for clinical training programs slated for elimination in the President's FY 1985 proposed budget

- establish clinical training centers for development of and evaluation of curriculum, materials development and testing, continuing education, and as sites for training and re-training of faculty in each of NIMH's core areas and in multidisciplinary team approaches

Administration on Aging - Title IV - $28.5 million (FY 1985)

Research

- provide support for research and demonstrations under Title IV including: (1) establishing in cooperation with other agencies, an on-going demographic data base providing information on the elderly population by age grouping, sex, race, geography, and other such categories deemed important to public policy needs; (2) identifying and projecting needs of older Americans; (3) determining the kinds and levels of programs needed to meet those needs; and (4) determining the kinds and numbers of personnel that will be required to meet those needs.

Education and Training

- provide support for preparing an increased number of qualified faculty to teach gerontology

- increase support for the development of specific educational materials to improve curricula in gerontology

- provide support for the collection and analysis of data concerning the status of teaching and practice in gerontology

- provide support for the development of re-training and continuing education opportunities concerning gerontological issues

- expand support for special educational facilities such as the Aging Policy Centers and the Long Term Care Gerontology Centers, and

- expand support for activities directed toward addressing the lack of personnel trained to meet the community service needs of racial and ethnic minority elderly

Mr. CORNMAN. Good morning, you have a full statement that represents the society's view. I'd like to make a few general points.

The Gerontological Society of America is the professional organization of researchers, educators, and practitioners in aging. And the testimony that we have submitted to you, is not only with the NIA, but also NIH's Center on Aging and title IV of the Older Americans Act.

The points I'd like to make are briefly, one, because an aging society is a new phenomenon, there is little experience to guide decisionmakers and practitioners, in seeking efficient, equitable programs to serve elderly persons. In the absence of past experience as a guide, research, including demonstration projects, become the only mechanism for gathering data and making discoveries, which the decisionmakers and practitioners need make effective policies and programs. Three, the only way to ensure an adequate pool of researchers, clinicians, and service providers to meet the future research needs and the future needs of the elderly population, is to support education and training programs today.

Federal gerontological and geriatric research programs have not been keeping pace with the growing need for aging research and services. For example, while the elderly account for about 30 percent of all health care costs, only about 1 percent of Federal health research dollars have been going for aging research.

Finally, because of the nature of the challenge created by an aging society, the need for research and training extends across disciplines, from biology to social work, across activities from basic research to service delivery. For those reasons in a society, for recognizing budget constraints under which Congress works today, recommends some modest, but, significant increases in the research and education budgets of the National Institute of Aging, the Center on Aging and the National Institute of Mental Health, and the Administration on Aging. Specifically, we would urge that the National Institute on Aging receive a budget of $145 million for research, education, and training. That the Center on Aging, as the National Institute on Mental Health receive a total of $26 million for research, education and training, and demonstration projects. And that the Administration on Aging receive $28.9 million for its title IV programs, divided among research, education and training, and other activities.

Thank you.

Senator WEICKER. Mr. Cornman, thank you very much. I appreciate it.

STATEMENT OF ALVIN B. BLOCK, PRESIDENT, ENVIRONMENTAL SCIENCES ASSOCIATES, INC.

PREPARED STATEMENT

Senator WEICKER. Next we have Alvin Block, president of Environmental Sciences Associates.

[The statement follows:]

STATEMENT OF ALVIN V. BLOCK

Alzheimer's disease is a neurological illness that produces mental impairment in 500,000 to 1.5 million American adults. It ranks as the fourth or fifth leading cause of death. A degenerative disorder, it attacks the nerve cells in the cerebral cortex, the outer layer of the brain which is responsible for our most sophisticated mental functions. As the disease progresses, memory loss increases and other changes such as confusion, irritability, restlessness and agitation are likely to appear in personality, mood and behavior. Judgement, concentration, orientation and speech may be affected. In severe cases, the disease may render its victims totally incapable of caring for themselves. The symptoms are progressive, but there is great variation in the rate of change. There is no known correlation with sex, race, occupation, or place of residence.

In 1950 there were 16.6 million people aged 65 or older (9.2% of the population). Death rates have declined 20% over the past 15 years and, assuming there are no improvements in health care, they are expected to decline by another 20% by 1990. Our population is aging. In the year 2000, it is estimated that there will be 31.8 million people over the age of 65 (12.2% of the population). The National Institute on Aging recently reported that 1.2 million people over 65 are in nursing homes and other long-term care institutions at a total cost of about $22 billion per year. This can be expected to increase to approximately 2 million people by 1990 at a cost of perhaps $40-50 billion.

At present, a diagnosis of Alzheimer's disease is made only by excluding all other illnesses with similar symptoms. Each person suspected of having Alzheimer's disease should undergo thorough physical, neurological and psychiatric evaluations. Comprehensive biochemical tests must be carried out as part of the evalution. Computerized tomography (CT scan), electroencephalography (EEG), positron emission tomography (PET scan), specific studies of cerebrospinal fluid (CSF), and long-term behavioral observation and evaluation are required to rule out other causes of dementia of the Alzheimer's type. The costs of diagnosis can range up to $2000/patient. Confirmation of the accuracy of the diagnosis is possible only through a post-mortem examination of the patient's brain at autopsy.

McLean Hospital's Tissue Resource Center (in Bedford, MA) has recently received a large number of "Alzheimer's" brain donations. Upon physical examination of these brains, it was determined that only approximately 50% of the patients had, in fact, suffered and died from Alzheimer's. This is an unacceptable situation, particularly since patients with similar symptoms, such as Parkinson's disease and stroke, may be denied proper treatment through incorrect diagnosis.

Over the past several years, investigators from a variety of disciplines have been involved in an intensive search to uncover the cause or causes of presenile and senile dementia of the Alzheimer's type.

The most exciting findings show a correlation between modifications in neurochemical activities and modifications in both cognition and brain pathology. Neurotransmitters are brain chemicals that transmit commands to the body's nervous system and collect data on its physical and mental state.

Research in this promising area has been hindered, and kept from being definitive, because of limitations in current measurement technology - limitations in sensitivity to make such measurements, resolution to separate one neurotransmitter from another, and the capability to measure only one or at most up to four or five neurotransmitters at one time. There are a large number (perhaps over 100) of these neurotransmitters and neurochemicals. For years, a major limitation on the measurement of neurotransmitters was that they exist in the body at parts-per-trillion levels. (To find 10 parts-per-trillion in a solution is equivalent to finding an object the size of a pinhead on a road from one end of the United States to the other.) Most biological samples contain extremely small quantities of these neurotransmitters and very large numbers and quantities of other compounds which interfere with their measurement. Interferences between neurotransmitters and other compounds can cause erroneous readings. Another difficulty stems from the fact that several of these neurotransmitters are chemically very similar and differ only in the position or presence of one or two atoms. Rather than look for simple surpluses or shortages of a single neurotransmitter, researchers must examine the complicated relationships among neurotransmitters because changes in one transmitter affects the others.

Using state-of-the-art instrumentation to catalog its brain bank, the McLean Tissue Resource Center has recently discovered interferences with some of its measurements. It has identified an interference from acetaminophan (a common analgesic, i.e. Tylenol) in identifying and measuring serotonin.

In a paper given April 12, 1984 at the 16th Annual Symposium on Advanced Analytical Concepts for the Clinical Laboratory at Oak Ridge, Tennessee, researchers at McLean, the Bedford V.A. and ESA reported that much of the published literature on neurotransmitters levels is in error by 50% or more. This was supported by their being able to detect and separate out interfering compounds, which may be clinically significant in themselves.

A further advance in instrumentation technology has demonstrated the feasibility of a measurement technique for neurotransmitters that addresses the complexity of this problem. It has the necessary sensitivity and resolution to measure approximately 100 neurological compounds simultaneously in a single analysis.

Preliminary feasibility studies with multi-sensor instrumentation have shown, the potential for a single test on body fluids which could determine whether a person is suffering from or prone to Alzheimer's disease. The nature of this technology may also permit early detection of a number of other neuropsychiatric disease states. This instrumentation would be capable of direct analysis of a variety of biological fluids to detect patterns or signatures of neurotransmitters or brain chemicals. These signatures are expected to be unique to many neurological and physical disease states.

The initial application of this new technology led to finding several significant differences between cerebrospinal fluid in nine of twelve clinically diagnosed Alzheimer patients and in eight normals. This difference involved detection of a pattern for serotonin which initially has been interpreted as a change in the oxidation state of serotonin, and its precursor compounds in Alzheimer's disease samples. Serotonin is generally thought to be important in the regulation of mood, sleep, and other phenonema. These subtle changes in the state of the serotonin are not detectable by any other instrumental means.

The eventual goal of such studies is to find a specific neurochemical profile which might be present in patients during the very early stages of Alzheimer's disease which could then lead to therapeutic intervention in the cure of the disease. The rationale would be that at an early stage of the disease prior to nerve cell death, it may be possible to prevent further progression of the disease. Although dopamine has been found to be one of the main neurotransmitters, that is decreased in Parkinson's disease, and GABA is altered in Huntington's disease, we do not know yet the primary event that leads to these losses. Efforts need to be made to study the whole neurochemical profile in order to quickly arrive at an understanding of the basic causes of these debilitating diseases.

Congressional support to further fund the development and application of this technology would be highly beneficial and cost effective. It is one potential tool for unlocking the problem of diagnosis and mechanism of Alzheimer's disease and would provide large benefits to the Alzheimer's patients and their families. This particular effort would be highly cost effective because of the proven performance of the basic technology, the demonstration of the potential applicability of the advanced technical concepts to Alzheimer's disease, and the potential range of applications to a number of other major neuropsychiatric disorders of interest to the Divisions of Research Resources, Aging, and Neurology at the National Institutes of Health.

If the diagnostic possibilities for Alzheimer's disease are proven and implemented, either through the phenomena discussed above or through more sophisticated pattern recognition techniques, individual tests could be performed in approximately 20 minutes for approximately $50-100. The potential for cost savings plus reduction of societal trauma on families will be enormous.

Fully developed instrumentation which unlocks the technical problems associated with neurotransmitter analyses will provide the research community with a valuable tool for the cost effective exploration of this important, perhaps pivotal, disease. In addition to diagnosis, this can be expected to aid in the development of insight into the mechanisms and causes of Alzheimer's disease and to provide a valuable asset in the search for control and cure procedures, including new pharmaceutical developments.

It should be noted that the technology developed in addition to its application to Alzheimer's disease, is potentially useful in the study of a number of other dementing and neuropsychiatric disorders, including Parkinson's, schizophrenia, and depression, as well as alcoholism.

For example, Rush Presbyterian Hospital, Chicago, has recently reported its ability to treat cases of depression by monitoring levels of the neurotransmitter PEA in blood and urine and by correcting deficiencies in its level.

There is a need for directly evaluating and supporting technological breakthroughs required by the medical research community. Several of the most promising areas of research are hindered by simple lack of effective tools. More sophisticated technology would complement existing research efforts in areas such as large scale screening and would develop new directions in diagnosis and mechanistic studies.

In the case of neurotransmitter research, cooperation between medical research facilities and industry, such as between ESA and the McLean and Bedford V.A. hospitals, has resulted in developments that are significantly advancing the state-of-the-art. It is extremely beneficial when the evolving capabilities of high technology measurement procedures are interactively integrated with the requirements of biomedical research programs.

There is a need to fund not only basic research, but the instrumentation necessary to support that research and to bring its results to the clinical environment. Where individual instrument installations are complex and expensive, it may be possible to use "shared" facilities to reduce the cost per diagnosis.

In conclusion:

- Alzheimer's disease is one of the most significant national health problems in terms of human, societal and economic cost.
- The medical community needs a scientific breakthrough in order to achieve its goals for the diagnosis, treatment, and cure or prevention of Alzheimer's disease.
- Thus far, measurement technology has been a limiting factor in research associating neurotransmitters with neuropsychiatric disorders.
- Tools and techniques are evolving to fill the research needs leading to a solution of the Alzheimer's disease problem. A highly sensitive technique for mapping the brain's chemistry by directly measuring neurotransmitter or brain chemicals is in the development stage. It offers great promise for a giant step forward in the diagnosis of brain related diseases.

LAYMAN'S DESCRIPTION OF ESA'S TECHNOLOGY

Neurotransmitters are brain chemicals that transmit commands to the body and receive information on its state of health.

There is an extensive body of scientific literature that relates neurotransmitters to a number of mental and physical disease states, such as Alzheimer's, Parkinson's, Huntington's, ALS (Lou Gehrig's), depression, schizophrenia, cardiovascular disorders, certain types of carcinoma, arthritis, alcoholism and drug abuse.

Research in this promising area has been hindered, and kept from being definitive, because of limitations in current measurement technology - limitations in sensitivity to make such measurements, resolution to separate one neurotransmitter from another, and the capability to measure only one or at most up to four or five neurotransmitters at one time. There are a large number (perhaps over 100) of these neurotransmitters and neurochemicals. For years, a major limitation on the measurement of neurotransmitters was that they exist in the body at parts per trillion levels. (To find 10 parts per trillion in a solution is equivalent to finding an object the size of a pinhead on a road from one end of the United States to the other.) Most biological samples contain extremely small quantities of these neurotransmitters and very large numbers and quantities of other compounds which interfere with their measurement. Interferences between neurotransmitters and other compounds can cause erroneous readings.

Based on recent work by ESA, McLean and the Bedford V.A. Hospital, we believe that, because of interfering compounds, much of the published literature on neurotransmitters may be in error, depending on the specific neurotransmitter and the disease state studied.

ESA has equipment commercially available that eliminates some interferences and indicates when an interference occurs, thereby providing significantly more accurate information on the neurotransmitters.

We also have developed advanced research equipment that can completely eliminate interferences and identify up to 20 times more neurochemical compounds than could be measured previously.

Using this advanced instrumentation in preliminary work on CSF with the McLean and Bedford VA hospitals, we have measured differences in neurotransmitter patterns between samples from Alzheimer's and normal patients.

ESA believes that this advanced equipment can map the brain's chemistry, thus providing researchers with a more comprehensive understanding. This may lead to early diagnosis and a better understanding of a number of important diseases such as Alzheimer's, Parkinson's, Huntington's, ALS (Lou Gehrig's), depression, schizophrenia, cardiovascular disorders, certain types of carcinoma, arthritis, alcoholism and drug abuse. A better understanding of these diseases improves the potential for medical intervention with possible cure and prevention.

Mr. Block. Mr. Chairman, Alzheimer's disease is a neurological illness that produces mental impairment, primarily in adults. Various sources estimate that between 500,000 and 1 million Americans are affected. It ranks as the fourth leading cause of death, with up to 120,000 fatalities per year. The diagnosis of Alzheimer's is made only by ruling out all other illnesses with similar symptoms, and the cost of diagnosis can range up to $2,000 per patient.

Confirmation of the diagnosis is possible only through a examination of the patient's brain at autopsy. The McLean Hospital in Bellmont recently received a large number of Alzheimer's brain donations. Upon the physical examination of these brains, it was determined that only approximately 50 percent of the patients, in fact, had Alzheimer's. This is a particularly unacceptable situation, since patients with similar symptoms, such as Parkinson's disease and stroke may be denied proper treatment through incorrect diagnosis.

Recent research shows a correlation between neurochemical activities and modification in behavior. Neurotransmitters are brain chemicals that regulate the function of the brain, control the bodies nervous system, and provide information on its physical and mental status. There are a large number, perhaps over 100 of these neurotransmitters existing in the body in parts per trillion levels, along with large quantities of interfering compounds. Research in this promising area has been hindered because of sensitivity and resolution limitations of current technology.

Using new, state-of-the-art instrumentation to verify and catalog tissues in its brain bank, the McLean Hospital recently discovered interferences in many of its neurotransmitter measurements. The analgesic, acetaminophan, Tylenol, has been identified as a source of interference in measuring serotonin in the cabalites (ph). Based on measurements with new, advanced research instrumentation, scientists at the Bedford VA Hospital, McLean Hospital in ESA, in a recent technical paper presented at Oakridge, reported that much of the published literature on neurotransmitter levels is in error by 50 percent or more.

The initial application of this new instrumentation led to finding several significant differences in neurotransmitters and cerebral spinal fluid between Alzheimer's patients and normals. The goal was to find a specific neurochemical profile which might be present in patients during the very early stages of Alzheimer's, which could then lead to therapuetic intervention for treatment and possible cure of the disease. By detecting a disorder at an early stage, it may be possible to prevent further progression of that disease. Many degenerative disorders, including Parkinson's, schizophrenia, alcoholism, and drug abuse can be impacted by this technology.

The concept of a human neurotransmitter index, made possible by this technology, could accelerate the understanding and treatment of these disorders. Congressional support of the development and application of this technology, similar to that given to other instrument concepts by the NIH Division of Research/Resources, would be highly beneficial and cost protective. And the benefits to be derived from this technology are particularly exciting because of the demonstrated potential early detection of Alzheimer's disease and the possible application to a number of other disorders of interest to the Institute of Aging, Institute of Mental Health and Neurological and Communicative Disorders and stroke, at NIH.

Individual tests could be performed as part of a normal physical in approximately 20 minutes, for approximately $50 to $100. The potential for cost savings, plus the reduction of societal trauma on families would be enormous. There is a need to fund not only basic research but also the instrumentation necessary to support that research, and to bring its results to the medical community.

In conclusion, Alzheimer's disease is one of the most significant national health problems, in terms of human, societal, and economic costs. And the medical community needs a technical break through in order to achieve its goals of diagnosis, treatment, and cure or prevention of Alzheimer's disease. Thus far technology has been a limiting factor in research, associating neurotransmitters with neuropsychiatric disorders. A highly sensitive technique for mapping the brains chemistry, by directly measuring neurotransmitters, or brain chemicals has been demonstrated. It offers great promise in the diagnosis of brain related diseases and should receive Government support in its further developement.

Mr. Chairman, I've attached a layman's description of the company's technology, and I would like to submit it for the record. Thank you.

Senator WEICKER. Thank you very much.

STATEMENT OF ROBERT N. BUTLER, M.D., BROOKDALE PROFESSOR OF GERIATRICS AND ADULT DEVELOPMENT AND CHAIRMAN, GERALD AND MAY ELLEN RITTER DEPARTMENT OF GERIATRICS AND ADULT DEVELOPMENT

PREPARED STATEMENT

Senator WEICKER. Next, we have Dr. Robert Butler, Department of Geriatrics and Adult Development, Mount Sinai Medical Center.

Mr. Butler.

[The statement follows:]

STATEMENT OF DR. ROBERT N. BUTLER

I appreciate this opportunity to testify before the Committee in behalf of the National Institute on Aging. As a research scientist, a psychiatrist in private practice, a former Director of the National Institute on Aging, and now Chairman of the Gerald and May Ellen Ritter Department of Geriatrics and Adult Development, Mount Sinai Medical Center in New York City, I have been impressed with the advances in medicine which have allowed this nation's elderly to live longer, more satisfying lives. Since the turn of the century we have added approximately 30 years to the life expectancy of Americans. In 1900 only about four percent of our population lived to be 65 years old. At present, approximately 12 percent do so. Not only has the life expectancy and the percentage of the population improved so dramatically, but the quality of life for these individuals has improved as well. These individuals are now living more productive and active lives than ever before in this nation's history.

However, not all of the news is good. As people age, health problems increase and the cost of these health problems also increase adding not only to the burden of individuals and their families, but also to the cost of the health care system of our society. But we cannot underestimate the wisdom which led to the creation of the National Institute on Aging, the establishment of an organization with the responsibility to conduct and support research specifically aimed at a better understanding of the aging process and ways to prevent, alleviate, or ameliorate the diseases and social problems of the elderly. It was created at a time which allows for the research to be conducted and the knowledge assimilated into our health care system to lessen the impact the aging of the so-called post-war baby boom will have during the period 2020 to 2030. It is projected that at that time approximately 20 percent, or about 50 million people, will be over 65 years old. We have time to conduct the research necessary to make the lives of those individuals as they become elderly even better than our elderly enjoy today.

The mission of the National Institute on Aging is broad. The Research on Aging Act (P.L. 93-296) created the Institute" ... for the conduct and support of biomedical, social, and behavioral research and training related to the aging process and the diseases and other special problems and needs of the aged." While all of the activities included within this mandate are important and deserve attention, I would like today to concentrate on only two of them—manpower development and senile dementia of the Alzheimer's type.

Manpower Development

In the early days of the Institute it was recognized that available manpower for research, faculty positions, and health care in the field of aging was woefully deficient. At that time, no US medical schools had a required course in geriatrics although about 30 of them had a few elective courses in this area. Medical students did not routinely rotate through nursing homes despite the fact that in private practice physicians spend about 60 percent of their time treating the elderly. We had great difficulty in the early days attracting quality investigators in the numbers required to cover the broad array of research opportunities encompassed in the field of aging research. A relatively small number of talented individuals who entered the field in the 1940s to 1960s were responsible for much of the work being done when the Institute was created in 1975. One of the primary reasons for these deficiencies was lack of faculty in these fields in the nation's medical schools and universities who could serve as role models to the students to attract them to this exciting field. Another major reason was the lack of adequate funding for training support in these areas. I am pleased to report that this situation has changed substantially in the last eight years—but much, much more needs to be done.

The National Institute on Aging has used three mechanisms in an attempt to increase the cadre of investigators and faculty members in aging. The first is the National Research Service Awards, which provide for institutional predoctoral and postdoctoral traineeships and individual postdoctoral fellowships. In FY 1984 the Institute supported approximately 170 such trainees at a cost of about $2.6 million. Major areas of study include the neurosciences, cell biology, immunology, cognitive aging, and social aspects of aging.

The second major mechanism utilized is the Research Career Award. The major emphases of these awards are to foster academic career development of investigators, to develop multidisciplinary curricula and strengthen teaching programs in geriatrics, aid young scientists in the pursuit of independent research in the health-related sciences, and recruit and prepare academic investigators with careers in research and training in geriatric medicine and related clinical disciplines. In FY 1984 through this mechanism, the Institute made 75 awards amounting to about $4.2 million.

Therefore, through these extramural mechanisms the Institute is currently funding approximately 245 individuals at an annual level of $6.8 million. If we are to meet the requirements for aging research, this amount must be substantially increased. I would estimate that an additional $4.7 million to support approximately 110 additional trainees and faculty development positions would be required during FY 1985 in order to develop the critical mass of trained individuals needed within the next 15 years.

The third means of increasing geriatric and gerontology manpower has been through the training provided by the intramural program of the National Institute on Aging and its predecessors. This program is primarily located at the Gerontology Research Center in Baltimore, Maryland. This Center, which was begun as a one-man laboratory in 1941, has produced approximately 350 trainees during the period 1946-1983. Many of these individuals have moved on to high-level positions as independent investigators, faculty members, and government scientists and administrators. This facility and the NIA's new Laboratory of Neurosciences at the Clinical Center in Bethesda are among the small number of centers in this country which can provide the quality and breadth of experience and training needed to develop high-quality individuals into independent investigators and faculty members in this field. Currently about 20 new scientists a year are entering training in these two settings. It would be very desirable to see this number double to 40 per year.

I strongly recommend that approximately $4.7 million be added to the Institute's budget for training during FY 1985. This increase will allow for the addition of approximately 20 geriatric trainees to existing research training programs, about 30 new mid-career fellowship awards, approximately three new institutional NRSA awards which will train 15 individuals, and will provide for a new award to support about 25 medical school leadership positions. In addition, about 20 intramural fellows could be supported for up to three years of training.

Alzheimer Dementia

Alzheimer dementia or Senile Dementia of the Alzheimer's Type (SDAT) and related dementias are the cause of serious confusion and forgetfulness in many elderly Americans. They affect as many as 1.5 million in total and require the institutionalization of as many as one-half of the more than one million elderly in long-term care facilities. The National Institute on Aging, along with the National Institute of Neurological and Communicative Disorders and Stroke and the National Institute of Mental Health, has over the past several years been supporting promising research in the diagnosis and treatment of this disease. For example, research has indicated that SDAT is a neurological disorder and is not a product of the normal process of aging. It has also been suggested that there are biological bases of SDAT, for example, the role and chemical composition of structures that irreversibly alter aging brain cells and therefore play a major role in Alzheimer's disease. Other theories include: chemical changes in the brain; the presence of aluminum in the brain suggesting an environmental hypotheses; the effects of viral infections on the central nervous system; and the clustering of Alzheimer cases in certain families suggesting a genetic transmission of the disease. It has also been suggested that psychosocial factors may be involved in the causes or development of SDAT. Among the most important information which is needed relates to improved diagnostic tests which would allow for the detection of the disease in earlier stages.

There is a great deal of research that must be done in order for these theories to be tested and proven. I would suggest that the National Institute on Aging could utilize an additional $7.5 million in FY 1985 in this area. In the FY 1984 appropriation, the Congress provided $3.5 million for the establishment of up to five awards for Alzheimer's Disease Research Centers. I understand that a sizable number of applications have been received from research centers around the country. In my opinion, there are at least 10 to 15 research groups within the United States who have the talent and expertise to mount meaningful studies in this important area in addition to the five that will be funded in FY 1984. It is, I think, important to use every possible resource in the effort to conquer Alzheimer's disease. Additional centers, based on established multidisciplinary research groups with experience in the disciplines needed to support research on the etiology, diagnosis, and treatment of Alzheimer's disease, will greatly improve our chances for an early resolution of this problem. Therefore, I would suggest that an additional $3.5 million be provided in order to fund at least five new awards in 1985. In addition, there remains a number of opportunities to fund important research through the regular research grants mechanism and I would recommend an additional $3.5 million for this purpose. The Laboratory of Neurosciences, a part of the intramural research program of the National Institute on Aging which has made substantial progress over the last several years, including the establishment of a six-bed clinical unit within the NIH Clinical Center, could strengthen its activities with an additional $500,000.

While I have concentrated the foregoing comments in the areas of manpower development and Senile Dementia of the Alzheimer's Type, I would like to briefly state that there are a number of other areas within the programs of the Institute which could benefit from increased funding. Among these are the development of a research program utilizing new techniques in molecular biology which could apply knowledge acquired in the areas of recombinant DNA to studies of aging. Other areas which greatly affect the elderly but for which very little research was being done until recently include urinary incontinence, falls, and the maintenance of health and effective functioning.

Mr. BUTLER. I submitted, for the record, a larger statement. So, I will just be brief.

In this century of old age, we've seen an increasingly longer lived, active, and productive people. We do face enormous problems, which is one of the reasons why Congress, wisely, created the National Institute on Aging. I will only concentrate on two topics today, namely with regard to faculty needs, that is for manpower, and second in relation to Alzheimer's disease.

Overall the NIA budget is only 2 percent of the entire NIH budget. It could well be in the range of $150 million per year, in order to really meet the challenge imposed by the extraordinarily increasing numbers of older persons. On the manpower side, while there's been some progress, we really have had to rely on three NIA mechanisms. The national research service award, which provides institutional pre and postdocs and individual postdocs, and has only 170 trainees for $2.6 million. And also the research career award, which has 75 awardees, for a range of $4.2 million. That is a total of $6.8 million and only 245 people. Here, I would urge, at minimum, the addition of $4.7 million, so that we could have 110 additional trainees, on an annual basis. Moreover, we do have a remarkable intramural program at NIA, which does provide for training for 20 persons per year. If we were to double that, we could create 40 more trainees, at a minimum of $500,000. So, that would be a grand total, just for manpower training of $4.7 million in this fiscal year of 1985.

Second, briefly on the horror of Alzheimer's disease, which is probably one of the most feared and frightening spectors of old age. There are many promising leads, so we're not pursuing a will of the wisp. Perhaps, most recently, the extraordinary Huntington's disease gene, on the chromosome, provides us a stimulus to locate, transcribe, and to translate the gene for Alzheimer's disease, because, we do know there's a genetic component.

I urge a modest increase of $7.5 million more for research in Alzheimer's disease for the fiscal year 1985. As you know, there were made available, last year, $3.5 million in fiscal 1984 for five Alzheimer's disease research centers. I believe this country could very well use 15 or more such centers. Half of the people in nursing homes suffer from this disease, and there are now, on any given day, more patients in nursing homes, than there are in general hospitals. These centers have been modestly funded, even now, compared to a decade ago, when Parkinson's disease centers recreated, the amount of money available has been, in this instance, modest indeed. I would urge, at this time, at least five more. The capabilities are out there in the American scientific community. And the excitement of research, in pursuing promising leads is very realistic. So, if we had $3.5 million for five more centers and $3.5 million to support continuing research projects, by a variety of neuroscientists and others around the country, and an additional $0.5 million for the laboratory of neurosciences at NIA, we would have a total of $7.5 million.

In summary, I've only emphasized two topics, with totals that are modest indeed; $4.7 million for research, manpower training and $7.5 million to advance our understanding of Alzheimer's disease. That is only a total of $12.2 million.

In my judgment, research is the ultimate service. As you know, we no longer have TB sanitariums, we no longer have iron lungs. In that sense the nursing home is like the TB sanitarium, and like the iron lung of geriatrics. And once we have found the problem related to Alzheimer's disease, we will empty, significantly, the nursing homes. It's not only an ultimate service to human beings, but an ultimate cost containment. We could do so much more, and we certainly can't wait until the year 2000, when we will have an additional 10 million more older persons. And given the fact that our most rapidly growing age group is the 85 plus age group, where some 20 percent, for example, suffer from Alzheimer's disease. Nor can we wait for the baby boomers to reach the golden age, when it's just going to be extraordinary. More than a doubling of the number of persons over 65.

We can't wait until 2020 to begin to solve the various problems that are broadly defined a senility. We can't wait until 2020 to be certain that we have extremely well trained people to become the leadership in research, in education, and in the innovation of new services for our older citizens.

Thank you.

Senator WEICKER. Thank you Dr. Butler. I've been appraised of the statistics, I can't remember what they are, what will happen by 1999 and then again by 2020. It's just staggering. Are we in a position today, by virtue either of our system, or persons of the pipeline, or programs of the pipeline, are we prepared to handle it?

Dr. BUTLER. No; it really is a case of being poorly prepared. By 1990, according to the very thoughtful study of the Rand Corp., we need at least 10,000 to 13,000 physicians, alone, who would be identified as geriatricians. I'm not talking about providing primary care, which can be well done by already existing physicians, but a leadership that would include, for example, medical directors of some 7,000 skilled nursing facilities, who would be the leadership in teaching geriatrics in our 127 medical schools. Who would be the innovators in creating laboratories, that not only deal with Alzheimer's disease, but common, distressing problems like bed sores and many things that are simply neglected on the research agenda today. We are so far off the mark, it's just incredible. There is, to this moment, no recognized subspecialty or specialty of geriatrics in the United States. I have the only department of geriatrics in any medical school in the country. And the likelihood, at this junction, given the dwindling of training dollars and the unavailability of funds for faculty development, it just seems that we're going to be totally unprepared when the 76 baby boomers begin to reach golden pond, as I say, in the year 2020, when we'll have nearly 60 million people over 65, or 1 in 5.

Senator WEICKER. Other universities don't have these departments?

Dr. BUTLER. No; they don't. Some of them have very important beginnings. Harvard has an outstanding division on aging. Johns Hopkins is beginning, UCLA, University of Pennsylvania, Case-Western, Duke. But this is the only department. And the importance of the department, is that it gives some clout, within the medical framework for a demand upon curriculum time, resources, space for laboratories. In our program, for example, there's a blockbuster rotation in the last year of every medical student. They don't have an elective, they have to elect geriatrics. In our 120 medical schools, 40 only have electives, and only 2½ percent take the electives because of the spector of aging being an uncomfortable one. It's something people avoid. We don't find that when it's required. In fact, we provide them with an opportunity for positive contact, recoverability, and effective treatment. And they go away with a very positive and a very different attitude toward older people. It could happen nationally, and it better, otherwise the health costs are going up off the roof and we're not going to succeed in mobilizing, nationally, talent, unless we have made academic excellence in our medical schools.

Senator WEICKER. Thank you doctor.

STATEMENT OF DR. STEPHEN PODOLSKY, PRESIDENT, AMERICAN AGING ASSOCIATION

PREPARED STATEMENT

Senator WEICKER. Our next witness is Dr. Stephen Podolsky, president of the American Aging Association Inc.

Dr. Podolsky.

[The statement follows:]

STATEMENT OF DR. STEPHEN PODOLSKY

My name is Stephen Podolsky, M.D. I am President of the American Aging Association (AGE), Assistant Clinical Professor of Medicine at the Harvard Medical School, Chief of the Endocrinology and Metabolism Section of the Boston Veterans Administration Outpatient Clinic, and Consultant at the West Roxbury Veterans Administration Medical Center.

Our organization appreciates having the opportunity to speak before the Labor-HHS-Education Appropriations Subcommittee of the United States Senate on the pressing need to support biomedical research on aging and infirmities which afflict the elderly.

The American Aging Association is devoted to providing a forum for the many basic scientists, medical clinicians, and interested lay people (with heterogeneous backgrounds and areas of expertise) to present their findings in biomedical aging research, to be brought up to date on the work of other scientists, to attempt to reach common ground in areas of scientific dispute, to educate the medical community which serves our growing elderly population, and also to reach out to the general public whose members often have concerns about aging research, likelihood of increasing longevity, alleviating the disabilities related to both the effects of aging on a particular part of the body, or diseases that afflict the elderly. There is certainly keen interest in the possibility of drugs or nutritional or lifestyle changes which may prolong or improve quality of life of older Americans, reverse the memory loss which is so common in advanced age, prevent or alleviate the suffering from the most common diseases (atherosclerosis, cancer, diabetes and arthritis).

The American Aging Association is now in its 14th year, and publishes peer reviewed original research reports in its scientific journal which is entitled AGE. We also publish a newsletter entitled AGE NEWS. In addition, we hold an annual scientific meeting lasting three days, which includes numerous concurrent sessions. Members of the general public are permitted to register and attend these scientific meetings. The next such annual scientific meeting of the organization will be held in New York City from October 18-20, 1984 at the Roosevelt Hotel.

Highlights of the American Aging Association's annual scientific meeting are the research symposium (which is published by Raven Press as a volume in their ongoing Aging Series), and the Clinical Gerontology Plenary Lectures. (A copy of the program for last year's AGE meeting is attached.) In addition, we have responded to the need for providing authoritative practical information related to Geriatrics and Aging Research by offering a high quality Continuing Medical _Education (C.M.E.) program for physicians, as well as a "Meet the Scientist" segment of the annual program. The latter session "translates" or communicates the substance of the research and clinical reports for the general public.

Aging is a basic biologic process that goes on continuously in every individual from conception until death. Aging is a prime example of built-in obsolescence, ensuring individual death to permit species survival. Interest in this process has been growing with the increasing awareness that life expectancy at birth steadily grew until a plateau of just over 70 years for the developed countries was reached 20-25 years ago, but has shown very little increase since. Of course, a larger number of individuals are now reaching this life span. (In fact, the proportion of people age 65 years and above in the United States has grown from 4% in 1900 to almost 12% in 1983. It is estimated that in 2030, 18.3% of our population will be over 65 years of age. Although the elderly currently comprise about 12% of the population, they account for 29% of health care costs.)

The aging process is now the major factor nullifying efforts to increase the healthy life span. Although we die of a specific cause, such as heart disease, cancer or diabetes, it is the aging process which largely determines *when* the stage is set for the event that quickly or slowly terminates our life. The effect of the aging process on the rate of development of disease can be illustrated by comparing dogs and man. Both species die of the same spectrum of disease processes - heart disease, cancer, etc. - but all dogs are dead by about 20 years, and all men and women are dead by about 100 years.

By slowing the aging process we will put off the time before heart attacks, cancer, complications of diabetes, or the other events that will kill us. Through slower aging, a man or woman in the future at age 60 may have the health and vitality of the average 45-50 year old of today.

The conviction that slower aging is a feasible possibility has been growing steadily over the past two decades, due to the gradual accumulation of knowledge of the effects of age on biological systems, and of reasonable hypotheses to account for such changes. Besides shifting the *average* life expectancy to higher levels, inhibition of the aging process will also increase the natural human *maximum* life span. Equally important is the possibility of increasing the quality of life IN old age by permitting these individuals to be healthier, vigorous and more productive.

It is certainly a reasonable possibility that pursuit of the scientific leads we already have regarding the nature of the aging process, not to mention new ones that are likely to be found, will result in significant increases in the period of healthy productive life.

We spend several billions of dollars each year on research on cardiovascular disease and cancer, as well as for treatment of these and other diseases. In the past, prior to the establishment of the National Institute of Aging, there was almost negligible funding for aging research. Yet, aging per se is the process that has almost nullified all attempts to substantially increase our healthy life span for the past three decades. Even the current National Institute of Aging budget of just under $115,000,000 or the proposed Fiscal 1985 budget of $117,390,000 is small when compared to our national yearly expenditure on major diseases. This is especially true since the National Institute of Aging funding figure also appropriately includes substantial support for psychosocial aging reasearch as well as biomedical aging research.

This disparity in research funding is even more striking in light of the fact that "conquest" of cancer would increase the average life span by only 2.5 years at the most, while the corresponding figure for the elimination of cardiovascular diseases as causes of death is probably less than 6.5 years. We clearly need to increase the level of biomedical aging research, in order to find a practical means of slowing the aging process.

It should be recognized that many of the problems of the aged and the goal of finding practical means of slowing the aging process are entirely different. The medical problems that affect the aged - largely degenerative afflictions such as cardiovascular, cancer, neurological, and arthritis - continue to be under active study in the older well-established disease oriented units of the National Institutes of Health. The establishment of the National Institute of Aging several years ago has permitted the United States government to give special attention to both biomedical aging research and also the sociological, psychological and economic problems of elderly citizens. Although the latter problems are an important concern of society, our organization feels a responsibility to urge Congress to support greater levels of funding for biomedical aging research. Naturally, we must also guard against abuses of such research funding by academic "deadwood" or THOSE whose major area of expertise is "grantsmanship."

Another major effort of the National Institute of Aging, which the American Aging Association also strongly supports, is that of developing Training Programs for younger basic scientists and physicians to work in the field of Gerontology and Geriatrics. Younger scientists will come into the field of aging by being engaged in biomedical aging research projects - by far the best way to train scientists and future leaders in research and teaching in this field. Training younger physicians to provide better medical care for the elderly, including earlier intervention and more preventive care, should increase standards of medical care for the aged, decrease the likelihood of iatrogenic problems such as avoidable adverse effects of therapeutic agents or drug-drug interactions, and potentially provide more health care for each dollar spent in this most medically expensive of all age groups. Currently the field of Geriatric Medicine is both understaffed and offers considerably less prestige than that of other medical subspecialties (such as Cardiology, Oncology, Gastroenterology, etc.)

In summary, we urge continued and in fact expanded appropriations for the National Institute of Aging. With greater efforts in biomedical aging research that come about from such funding, there will be a much better chance of having practical means of slowing the aging process available in the near future. The fruit of such research will increase the prospects for more years of healthy active useful life for our citizens.

Dr. PODOLSKY. Our organization appreciates having the opportunity to speak before you on the pressing need to support biomedical research on aging and infirmities which afflict the elderly.

Aging is a basic biologic process that goes on continuously in every individual from conception until death. Aging is a prime example of built-in obsolescence ensuring individual death that permits specie survival.

Interest in this process has been growing with the increasing awareness that life expectancy at birth steadily grew until a plateau of just over 70 years for the developed countries was reached 20 to 25 years ago, but has shown very little increase since.

Of course, a larger number of individuals are now reaching this lifespan. In fact, the proportion of people age 65 years and above in the United States has grown from 4 percent in 1900 to almost 12 percent in 1983. It is now estimated that in the year 2030, 18.3 percent of our population will be over 65 years of age.

Although the elderly currently comprise about 12 percent of the population, they account for 29 percent of health care costs. The aging process is now the major factor nullifying efforts to increase the healthy lifespan.

Although we die of a specific cause, such as heart disease, cancer, or diabetes, it is the aging process which largely determines when the stage is set for the event that quickly or slowly terminates our life. The effect of the aging process on the rate of development of disease can be illustrated by comparing dogs and man.

Both species die of the same spectrum of disease processes, heart disease, cancer, et cetera, but all dogs are dead by about 20 years and all men and women are dead by about 100 years. By slowing the aging process, we will put off the time before heart attacks, cancer, complications of diabetes or the other events that will kill us.

Through slower aging, a man or a woman in the future, at age 60, may have the health and vitality of the average 45- to 50-year-old of today. The conviction that slower aging is a feasible possibility has been growing steadily over the past two decades due to the gradual accumulation of knowledge of the effects of age on biological systems and of reasonable hypotheses to account for such changes.

Besides shifting the average life expectancy to higher levels, inhibition of the aging process will also increase the nature human maximum lifespan. Equally important is the possibility of increasing the quality of life in old age by permitting these individuals to be healthier, vigorous, and more productive.

It is certainly a reasonable possibility that pursuit of the scientific leads we already have regarding the nature of the aging process not to mention new ones that are likely to be found will result in significant increases in the period of healthy productive life. We spend several billions of dollars each year on research in cardiovascular disease and cancer as well as for treatment of these and other diseases.

In the past, prior to the establishment of the National Institute of Aging, there was almost negligible funding for aging research. Yet aging, per se, is the process that has almost nullified all attempts to substantially increase our healthy lifespan for the past three decades.

In summary, we urge continued and, in fact, expanded appropriations for the National Institute of Aging. From the greater efforts in biomedical aging research that come about from such funding, there will be a much better chance of having practical means of slowing the aging process available in the near future.

The fruit of such research will increase the prospects for more years of healthy, active, useful life for our citizens.

I will be happy to answer any questions. I appreciate the opportunity to speak before you.

Senator **Weicker**. Thank you, Dr. Podolsky. I appreciate it. Thank you for your testimony.

STATEMENT OF ROBERT U. MASSEY, M.D., DEAN, SCHOOL OF MEDICINE, UNIVERSITY OF CONNECTICUT, REPRESENTING THE ASSOCIATION OF AMERICAN MEDICAL COLLEGES

PREPARED STATEMENT

Senator **Weicker**. Because I now have to leave and will turn over the chair to my good friend, Senator Inouye from Hawaii, I'd appreciate it if Dr. Robert Massey, who is the dean of the School of Medicine at the University of Connecticut, would come and testify at this juncture.

Bob, what is it, after 13 years, you're getting out? What are you going to do?

Dr. **Massey**. If I can get out.

Senator **Weicker**. What are you going to do?

Dr. **Massey**. Oh, I'm going to teach a little and see a few patients.

Senator **Weicker**. I gather that being dean takes a lot of you away from your real love, if you will, and becomes very much of an administrative task.

Dr. **Massey**. It does, indeed, and I'm going to have to be retreaded when I get out.

Senator **Weicker**. Well, good to have you.

Dr. Massey. Thank you, sir.

[The statement follows:]

STATEMENT OF DR. ROBERT U. MASSEY

The Association of American Medical Colleges (AAMC) appreciates this opportunity to submit its views on federal appropriations for fiscal year 1985. The Association today represents the whole complex of individual organizations and institutions charged with the undergraduate and graduate education of physicians. It serves as a national voice for 127 accredited medical schools and their students; more than 400 of the major teaching hospitals in the United States; and over 70 academic and professional societies whose members are engaged in medical school teaching, patient care and biomedical/behavioral research. More than half of the extramural investments of the NIH, for instance, are in AAMC constituent institutions. All of these activities are directly effected by programs under the jurisdiction of the Labor/HHS/Education Appropriations Subcommittee.

This statement concerns biomedical and behavioral research issues; a supplementary one will address student assistance and a few other items of interest.

There are two axioms that determine Association policy in the matter of federal appropriations for biomedical and behavioral research.

o While it is conceivable that the toll in human suffering extracted by disease, disability and premature death can be significantly reduced, the desired reduction can be attained by one and only one process---basic research, followed by application of the new knowledge to the human problem,

o The only source for funding fundamental scientific research on any significant scale is the Federal government, since industry and philanthropy lack resources and/or motivation for this task.

Past actions of this Subcommittee suggest that these axioms are as accepted by the Subcommittee as by the AAMC's constituents. Moreover the Association doubts that the Subcommittee has been disappointed in the results of its funding decisions. The nation's biomedical and behavioral research enterprise, of which the National Institutes of Health and the Alcohol Drug Abuse and Mental Health Administration are the heart, continues to be exceptionally productive. After almost four decades of intense effort, in which U.S. scientists played an overwhelmingly predominant role, the world has witnessed a revolution in the biological and medical sciences. Not only has the pace of progress, particularly in the last few years, been awe inspiring, but the emerging possibilities for major extensions in life span, and for the conquest of major diseases, stagger the imagination.

Yet, despite the plethora of important research opportunities, the President has proposed a mere 2 percent increase in the NIH budget and a somewhat larger but still less than inflationary increase in the ADAMHA budget. His proposal would, at the very least, significantly slow the pace of progress and erode the base of basic scientific investigation that will lead to the breakthroughs of tomorrow.

Under the President's request, measured in terms of award rates, the NIH would be able to fund only about 30% of approved research grant applications; the ADAMHA, only 36%. In terms of priority scores, on average, NIH would be able to fund only those proposals rated by the merit review system as better than 170; the ADAMHA cut off would be around 163. Thus, a large number of applications rated between superb (100) and excellent (200) would not receive awards. The quality and potential significance of much of the science at ratings well above the Administration proposed cutoffs is, without question, extremely worthy of support.

There also is a less obvious but equally insidious result of budgets such as that proposed by President: their impacts on research manpower. The tremendous intellectual excitement engendered by modern bioscience has drawn some of the keenest young minds in America to the field; many wish to dedicate their careers to it. However, lack of funding for top quality proposals---the NIH award rate has fallen from close to 50 percent in the mid-seventies to the range of 37 and 33 percent in the early eighties---is forcing many well trained young investigators with exciting ideas out of the field and discouraging bright students from entering it. The long term impact will be a dimunition of creative capacity and ability to respond to future research challenges and opportunities. Thus, we are not only "eating our seed corn" as one member of the Subcommittee aptly described the situation with regard to the training budget, but we are mowing down the shoots before they have a chance to bear fruit. Additionally, many distinguished and established scientists, long highly productive, are falling by the wayside---a further loss to the nation. The country is presently in the process of losing a generation of its best minds.

In light of the seriousness of the threat to health science posed by the President's budget, the AAMC has joined with well over 100 scientific societies, academic associations and disease organizations to endorse a proposal to provide a more reasonable level of support for the nation's biomedical research enterprise.

The proposal of the Ad Hoc Group for Medical Research Funding contemplates real growth and a balanced research agenda. A 16% increase over current spending is recommended for the NIH and the research and research training components of the ADAMHA. This translates to $647 million and $41 million respectively over the President's requests. The specifics of the proposal are laid out in a brochure of which the Association assumes the Subcommittee is well aware. Hence, this statement will simply highlight areas that the AAMC views to be of particular importance.

In general, the Association would stress that the Ad Hoc Group recommendation to infuse the research project grant mechanism with substantial new funds, as ambitious as it sounds, would still only result in the support of a fraction of the superb applications pouring into the NIH and the ADAMHA. The average scientific priority cut-off score that would result from the Ad Hoc Group Proposal---around 185---is still in the range of superb to excellent, and much very high quality science will remain unfunded. The tragedy is that, as stated in Frontiers in Science and Technology, the National Academy of Science's most recent 5 year science outlook, "There is, at the moment, a virtual explosion of biological knowledge. This may indeed be the era of biology." From the vantage point of the imperatives of scientific opportunity, a 16 percent increase is both reasonable and modest.

Previous testimony before the Subcommittee indicates that the President's budget contemplates reductions averaging 5 percent for continuation awards and 6 percent for new and competing renewal awards, an expedient adopted to enable funding of a larger number of awards. The study-sections that review proposals for scientific merit also keep a close eye on proposed research expenditures. Significant deviations from the dollar amounts recommended by these panels could, inter alia, skew the whole concept of a research project. In the Association's view, such direct cost cuts have no place in reasoned science policy, and the Ad Hoc group proposal restores these reductions.

The decline in the number of clinical investigators is both alarming and well documented. A recent Rand study, done for the John A. Hartford Foundation, indicates that, between 1970 and 1980, the percentage of M.D.s that were principal investigators on NIH research project grants fell from 33.8 to 23.3. Given the unique ability of the research career and the medical scientist programs to reverse this trend, the AAMC endorses the proposed expansion of these award programs.

Obviously, difficulty in funding the National Research Service Award (NRSA) program results from lack of an authorization. Nonetheless, the importance of maintaining an adequate flow of research manpower into the health field must be emphasized. The Association fully backs the recommendations of the National Academy of Science with regard to the numbers of research trainees that should be supported. In addition, to help stem the reluctance, particularly of newly graduated M.D.s, to enter into research training, AAMC recommends that the NRSA program receive support adequate for stipends to be raised to more reasonable levels. The current levels---about $5,000 per year for predoctoral students and about $14,000 to $19,500 for postdoctoral trainees---are simply inadequate.

Several other facets of the health research programs also need real growth funding in FY 1985. While 19 major new, and on-going, clinical trials---the mechanism for translating new scientific knowledge into patient care---were started in FY 1984, only 1 start is budgeted for FY 1985.

As documented in the well known Brademas Report there are crying "infrastructure" needs in academic science. Several lines in the NIH appropriation contribute to meeting these needs and, as such, warrant special attention. They include:

- o the biotechnology program, under which lasers, computers and other high tech instruments are coupled with other health science advances to improve health care;
- o animal facilities, many of which need upgrading to facilitate maintenance of animals in a manner consistent with contemporary standards; and

- the Biomedical Medical Research Support program, which covers Biomedical Research Support Grants---flexible institutional funds, typically used to avoid interruptions in research between awards and to fund pilot projects---and Shared Instrumentation Grants, to meet pressing needs for large, complex and expensive instruments.

In addition, the limited NIH construction authorities should, in AAMC's view, be utilized to the maximum until more extensive and badly need funding authority can be put in place. Significant NIH authority to fund facilities has not existed since 1969; and the time for renovation of many laboratories is long overdue.

To maintain some semblance of balance in the research enterprise, other areas of the NIH and ADAMHA programs need at least to be sustained at current services levels. The Association disapproves of the proposal to charge fees to clinical center patients, since it would considerably interfere with their willingness to participate in research protocols. Further, the proposal to reduce staff is tailor made for disruption of the workings of NIH and ADAMHA. If research management personnel are reduced, how are these agencies to responsibly administer the massive research programs under their jurisdiction? If research personnel are cut, the most fertile training ground for young investigators will be truncated. Finally, the Association strongly hopes that the Congress will again reject the proposed elimination of the clinical training program of the ADAMHA. Clinical training funds are sorely needed to increase the number of physicians in a position to utilize in their practices the new knowledge and insights of biological psychiatry.

In conclusion, the Association applauds the decision of this Subcommittee to last year provide a substantial increase in research funding; as the justifications for that action have only grown stronger, the AAMC hopes that, in its wisdom, the Subcommittee will follow suit in the FY 1985 funding cycle.

Dr. MASSEY. Senator Weicker, members of the subcommittee, my name is Dr. Robert U. Massey and I'm presently dean of the School of Medicine at the University of Connecticut. I will dispense, if I may, with further amenities except to state that I appreciate this opportunity to appear on behalf of the Association of American Medical Colleges.

Collectively, as you know, the AAMC constituency is deeply involved in and committed to medical education, biomedical and behavioral research, and patient care. With your permission, I would like to submit a more comprehensive statement for the record related to research and to education.

The association holds as axiomatic that while it is conceivable that the prevailing toll in human suffering exacted by disease, disability, and premature death can be significantly reduced the desired reduction can be attained by one and only one process; basic research, followed by the application of that new knowledge to human problems.

The only source for funding of fundamental scientific research on any significant scale is the Federal Government since industry and philanthropy lack both the resources and oftentimes the motivation for this task.

After almost four decades of intense effort, the period really following the Second World War in which the U.S. scientists have played an overwhelmingly predominant role, the world has witnessed a revolution in the biological and medical sciences. The pace of progress, particularly in the last few years, has been awe inspiring.

The possibilities for more of us living out our full lifespan and for the conquest of major disease stagger the imagination. The keenest young minds in America have been drawn into the field and may aspire to fields in biomedical and behavioral research.

In recent years because of relative shortages of Federal funds only about 3 out of 10 research applications to the Federal Government that are approved by the peer review process can be funded; about 30 percent. Not even all of the applications rated between superb, or 100, and excellent, 200, will receive awards.

Twenty years ago, 95 percent of approved applications were funded; 50 percent 10 years ago. Not only are well-trained young investigators with exciting ideas, burning enthusiasm, and deep dedication being forced out of the field, many distinguished and established scientists, long highly productive, are falling by the wayside.

The country may now be in the process of losing a whole generation of some of its best minds.

In the light of these realities, the AAMC has enjoined over 130 scientific societies and academic associations to endorse a proposal to restore the momentum of the Nation's biomedical research enterprise. The proposal contemplates, for the National Institutes of Health and the Alcohol, Drug Abuse, and Mental Health Administration, a 16-percent increase over fiscal year 1984; an amount $647 million greater than the President's NIH request and $41 million over his ADAMH request.

This proposal is complete consonant with the high priority which the President's budget has assigned to basic research and brings the increase for the health research into line with those requested by the President for the National Science Foundation, 14 percent; the Department of Defense, 15 percent; the Department of Energy, 18 percent; and the National Aeronautics and Space Administration, 16 percent.

In summary, it would allow real growth in basic research; would encourage the development of critically needed research manpower; would relieve serious acute pressures in several specific troublesome areas; and would maintain present levels of activity for the rest of the program.

If it please the subcommittee, I would be happy to submit for the record this brochure which details the elements of the proposal.

In 1963, the Federal Government began to provide support for medical education in the form of institutional support, student assistance, and special programs to achieve specific educational objectives. The first of these disappeared several years ago, as you know, and funding for the other two has been eroding for some time.

Over the last decade, the rising costs of medical education have inexorably forced tuition increases while inflation has escalated living expense of students. Federal loan and scholarship money, the major source of financial assistance to medical students, is absolutely essential if access to the profession is to be preserved for the sons and daughters of the less affluent families in our society.

Thus the association recommends that the exceptional financial need, the EFN Program, be expanded to provide financially deprived individuals a much needed springboard into medical education.

Senator WEICKER. Bob, let me have a chance to ask a question because we've gone past your time and there is one question I did want to ask you on that.

What is the figure, $647 million over the President's request?

Dr. MASSEY. Over the President's request.

Senator WEICKER. Now, do you have that broken down in what you're submitting to the committee? Has that been broken down?

Dr. MASSEY. Broken down by Institute?

Senator WEICKER. By Institute.

Dr. MASSEY. I don't believe it has, no.

Senator WEICKER. $647 million?

Dr. MASSEY. Overall. Broken down by mechanism.

Senator WEICKER. By mechanism? OK. And $41 million for what?

Dr. MASSEY. For ADAMHA, the alcohol, drug abuse.

Senator WEICKER. If the committee acts in that manner, are you prepared—by this I mean across the country—to start raising your voices for this amount of money? Is the medical profession prepared to stand up and be heard on it?

Dr. MASSEY. I'm certain it is, Senator; yes, sir. I think some of the points that have been made is that not only is there a great deal of momentum in this research activity, but there are a number of young people, scientists, who have been trained to carry out this research of superb quality who are falling by the way because their grants can't be funded, they can't be supported; and, in turn, that discourages others, particular M.D.'s.

The number of M.D.'s going into research had dropped by at least 10 percent in the last 10 years, which is a dangerous trend. If we lose a generation out there, rebuilding that research potential is a matter of years and years and years. It's important to maintain that.

Senator WEICKER. The rest of your statement will be included in the record in its entirety.

Dr. MASSEY. Yes, sir.

Senator WEICKER. I thank you very much for your testimony.

Dr. MASSEY. Thank you, sir.

Senator WEICKER. Thank you.

Senator Inouye, the chair is yours. I can assure you all you're in good hands. He's much nicer than I am. He allows more leeway on that clock. [Laughter.]

STATEMENT OF GERTRUDE ENGEL, HEALTH ADVOCATE, AMERICAN HEALTH EDUCATION FOUNDATION

PREPARED STATEMENT

Senator INOUYE [presiding]. Our next witness is Ms. Gertrude Engel, health advocate of the American Health Education Association.

Ms. ENGEL. Thank you, sir.

Senator INOUYE. Welcome, Madam.

Ms. ENGEL. I appreciate this privilege and I'll talk real fast.

[The statement follows:]

STATEMENT OF GERTRUDE ENGEL

Mr. Chairman and illustrious members of the Appropriations Committee, my name is Gertrude Engel.

I am grateful for the opportunity of appearing before you today, in behalf of the American Health Education Foundation and our more than 600,000 readers. Also, Mr. Royden Brown, health researcher since 1943 and founder of the C. C. Pollen Company, who knows the cause of Alzheimer's Disease and Mr. Victor Earl Irons, 89-years-old, made of iron, our"Mr. America for Health."

Mr. Irons proclaims: "Eat your fresh food before it spoils and rots or you will be damaged with rottenness." He believes vitamin E to be an essential nutrient, to avoid cell membrane damage.

From the following pages which are self-explanatory, please, note the answers to this dreadful disease.

Mr. Brown of Scottsdale, Arizona has issued a call to treat free without charge the first 100 patients under the care of a medical doctor who has made the diagnosis of Alzheimer's Disease.

Every bit of this research is vital, hence, I chose to submit the facts in this manner.

I met Mr. Royden Brown in Nashville, Tennessee and was impressed with his knowledge, wisdom and sincerity.

THE HOW & WHY OF AGELESS™

The Ageless™ formula has been developed to introduce the best possible nutritional supplement for the average American, the most effective all-around body vitalizer possible developed from nature's kingdom. *Remember, the sooner and younger a person begins an intelligent prevention program, the more successful it will be.* The Ageless™ formula, combining the best of the land and sea, is designed to maximize stamina, vitality and endurance.

We believe the Ageless™ formula will prevent or reverse the causes of symptoms commonly associated with senility, such as mental incapacitation due to memory loss, confusion, disorientation, irrationality, poor level of understanding, mood changes, loss of sense of time, and possible delusions and/or hallucinations. This includes unpredictable behavior and associated incontinence, loss of balance, lack of sex drive, low motivation, insomnia and so forth. We consider senility a physiological condition, not a disease. For example, it is known that tissue activity is reduced by an average of 20% in the elderly.

Just as it was discovered that millions of wheat-and-milk logged Americans were inviting allergy problems, it is also apparent that a great many Americans exhibit low-level symptoms indicating impairment of some brain and nerve functions. Chronic fatique, forgetfulness, irritability, lack of endurance, depression, low vitality, loss of motivation, anemia of the extremities and other symptoms have become widespread in the United States. *The Ageless™ formula is designed to roll back and/or prevent this tide of symptoms.*

TRACKING DOWN THE SECRETS OF THE WORLD

For over 20 years, we have researched the subject of longevity, specifically investigating men and women documented to be over the age of 100 years in Bulgaria, Turkey, New Zealand, the Hunza Valley, Central America, the USSR and Vilcabamba, Ecuador, to find out what factors were responsible for their exceptionally long and healthy lives. Nearly all of these people were still mentally alert, vigorous and able to care for themselves. From these people, a great deal of insight was gained into the secrets of long life.

EXTENSIVE RESEARCH

From the investigation of certain patients over the past 50 years, we also learned much. Many of these patients had brought their complaints to private doctors who told them, "You're just growing old. You'll have to live with it." Yet, under a special program of advanced nutrition, they improved dramatically. *Why? Because there are certain keys to taking care of chronic disease and restoring well being.* No patient should ever be told, "You'll have to live with it." We looked for solutions and better ways. *And found them.*

We burned the midnight oil, reading research reports on nutrition, aging and the field of geriatrics. Research showed that Western medicine was very aware of these common age-related conditions. *But little was being done to prevent them.*

We found that the best work on aging and senility came from nutritionists and nutrition-minded doctors. *Bits of the puzzle were coming into place* - a vitamin here, an amino acid there. New thinking about prevention. Correction of old mistakes. New discoveries about the brain and neurotransmitters. Understanding of aerobics and oxygenation of the blood. The functioning of the glands. The roles of the minerals and trace elements. The herbal remedies. It all made a good deal of sense. *There is hope for retaining youthfulness.*

THE AGELESS™ ANSWER

As we gained more understanding of the bodily changes taking place from youth to old age and their relationship to good habits and lifestyles, *we began to see how to reverse certain unhealthy processes and overcome others.* There are many contributing factors and no single vitamin, nutrient, element or food is complete enough to do the job. A *combination formula* aimed at most of the known contributing factors destroying our youth was exactly what was needed. *And we began work on it.*

We believe the resulting Ageless™ combination formula is the answer.

WHAT IS AGELESS™?

Ageless™ is a unique combination of 25 herbs whose nutrients exert synergistic action to enhance the efficacy of many of the ingredients.

Ageless™ contains the best of the land and the best of the sea ... BEE POLLEN AND ALGAE!

The overall formula of Ageless™ consists of an appropriate blend of the best formulae available for revitalizing specific vital functions of the body, as follows:

1. *The Assimilation Formula* - To overcome fatigue and exhaustion.

2. *The Digestion Formula* - To compensate for the loss of digestive power.

3. *The Energy Formula* - To overcome fatigue and exhaustion.

4. *The Endurance Formula* - To gradually increase and extend the endurance of the individual.

5. *The Circulatory Formula* - To increase oxygenation and stimulate and improve circulation through the body, especially to the vital organs and extremities.

The nutrients in the Ageless™ formula are among the most easily digested and assimilated to be found in all foods. The Ageless™ tablet is a balanced and extremely potent combination of formulae. We emphasize that the Ageless™ regimen should be used along with a healthy diet, with junk foods eliminated, an appropriate vitamin/mineral supplement program and regular excercise.

WHO NEEDS AGELESS™?

Anyone - of any age - who wants protection against the nutrient induced dietary deficiencies that lay the groundwork for senility.

The Ageless™ formula is the safest and best means of restoring and enhancing physiological function in a world where processed foods, environmental toxins, junk foods and stress have taken such a toll on physical and mental health.

Because the Ageless™ formula has such an excellent array of nutrients and supplements for building the brain and the nervous system, it provides optimum nutritional support for executives and other professionals whose work tends to build stress which can deplete the brain and nervous system. Mental fatigue is often accompanied by temporary symptoms similar to those of senility, but which are alleviated quite effectively by the Ageless™ formula.

The Ageless™ combination is especially recommended for those in high pressure, high stress, or circulatory impairing occupations where constant sitting is a necessity, such as executives, secretaries, bookkeepers and clerks.

We do not claim that all those suffering from senility symptoms will be helped, but most symptoms will be alleviated. *Ageless™ tablets are recommended for everyone over fifty-years of age to prevent senility, but Ageless™ should also be taken by younger persons as a preventive health measure.*

It is not only our seniors who are encountering diminished brain activity and function, but *virtually every American who lives or works in a high-stress, mind-fatiguing environment.* Everyone can benefit by taking the Ageless™ formula.

Ageless™ tablets may also benefit those with learning disorders, certain types of mental disorders, history of alcoholism or drug abuse, history of malnutrition or episodes of starvation, anorexia, hyperactive children, chronic poor digestion, heavy metal poisoning and many other conditions.

Anyone who works hard, who drives in city traffic or who does heavy mental work will benefit from Ageless™.

Ageless™ is a youth-promoting formula which helps keep the oxygen level high and which contributes to keeping vital organs and glands active.

HOW TO START

Ageless™ is preventive health insurance. The basic schedule for preventive health care in most persons should be started by taking two Ageless™ tablets with each meal. After two weeks time to experience your individual body response, your intake may be increased to establish the level of maximum experienced well-being.

Athletes and other in high physical or mental stress programs or occupations may want to try eight tablets with each meal and supplement between meals to find the appropriate level of nutrient support to maximize their capabilities.

Note: The actual "correct" or "appropriate" intake of Ageless™ tablets may be different for each person. Every individual is biologically unique and everyone will have to find the right intake level of Ageless™ for himself or herself. This can only be done by trial experimentation.

DON'T LET THIS HAPPEN TO YOU

You can escape these examples of the mental dilemma of advancing age, often caused by the simple lack of vital nutrients.

Mr. James D., a retired railroad executive, drove from his home in Chicago to a downtown hotel, gave a brilliant two-hour lecture on the economics of railroads to younger executives *and then was unable to find his car in the parking lot!* He simply couldn't remember what it looked like. His wife finally saved the day by coming to get him.

A retired resident of a small Northern California town brought his wife Annie back from a nursing home because he believed he could give her better care himself. While Charlie was asleep, Annie got up and wandered off into the woods behind their house.

In the morning, Charlie called the Sheriff after searching for three hours by himself. A search party found Annie two days later, sick, disoriented and suffering from exposure. *Annie had become lost in the woods where she grew up, an area she had been familiar with all of her life.*

All nursing homes have similar problems with their elderly patients. Visit any nursing home and you will see elderly men and women strapped into their wheelchairs for their own safety. *People would enjoy living longer - if they could be sure they would remain clear-minded and able to get around.*

Of the age group from 65 and up, the number of elderly in special institutions increases from 1% of those aged 65 to 74 up to 20% of those over age 85. Their relatives cannot give them adequate care. Many are bedridden or chairbound - *and chronic diseases are more prevalent in inactive persons.*

Alzheimer's disease strikes those between the ages of 40 and 60. *The Ageless™ formula can help prevent it.* Degeneration of normal mental functions is rapid, cutting life expectancy from one-third to one-half. Brain autopsies show plaques and tangles of nerve fibers, often with excessive deposits of aluminum. Poor circulation to the brain and nutrient-poor blood are believed to contribute to these conditions. Deficiency of the neurotransmitter acetylcholine is found, along with a lack of cholinergic cells in the basic nucleus. Symptoms are memory loss, disorientation, nervous agitation, incontinence, loss of speech - and sometimes violence. Those with advance Alzheimer's disease, like their elderly counterparts, are difficult to care for.

Ageless™ tablets are designed with these people in mind. We believe better nutrition, special nutrition, can make most of the elderly more active physically and mentally, thus restoring the full enjoyment of life.

THE BRAIN IS *NOT* "ABOVE IT ALL"

According to Dr. Richard J. Wurtman, M.D., of the Massachusetts Institute of Technology, "The brain is not above it all, as many researchers once thought, *but is intimately influenced by what we eat.*"

The blood does not feed the brain directly, as it does the other cells of the body. There is a "blood brain barrier" that only allows special selected substances to pass from the blood into brain tissue. This does not mean, however, that toxins cannot get through. We find that alcohol gets through all too easily. And toxic metals, such as aluminum and cadmium, are able to get to the brain, as well as certain drugs. *The brain is far from being invulnerable.*

What nutrients does the brain require? The brain needs amino acids from protein to build neuro transmitters and neuroinhibitors, the chemicals that play key roles in helping electrical nerve impulses pass from nerve cell to nerve cell in the proper manner.

The brain uses 25% of the body's oxygen and a comparably large proportion of its glucose. We find that 20% of the blood is in the brain at all times. A rapid drop in blood supply, oxygen or glucose can cause permanent brain damage.

Let's boil all this down. The brain needs an adequate supply of nutrients, including oxygen, and it needs to get rid of its own waste products - and any previous toxic accumulations deposited by its blood supply. This means the brain needs an abundant supply of pure, nutrient-rich oxygenated blood to take care of itself. *The Ageless™ formula is designed to assist in this process.*

Damage to brain tissue and nerves can come about from any of the following sources:

1. Toxic-laden blood containing substances able to get through the blood brain barrier.

2. Insufficient circulation of blood to the head.

3. Oxygen-poor blood.

4. Insufficient nutrients in the blood.

5. Endocrine gland imbalance in the body.

6. Excessive stress, worry, anxiety and/or mental overwork.

We must recognize at the start that many chronic diseases are a sign of chemical deficiencies in the body. *There is no disease that does not affect the brain in some way.* In the reversal process - aided by the Ageless™ formula - we raise the health level of the whole body.

The Ageless™ combination formula can eliminate the dietary deficiencies which are the contributing factors destroying our youthfulness. By raising the health level of the whole body and supplying it with needed nutrients, we provide the elements required for body and brain repair.

TO RETAIN YOUTHFULNESS, WE MUST:

1. Cleanse the blood

2. Improve the circulation.

3. Increase the oxygen-carrying capacity of the blood to the brain and glands.

4. Improve the efficiency of digestion, assimilation and elimination.

WE ARE WHAT WE EAT!

Junk food, white sugar and white flour are hard on the body - and on the brain. Coffee, cigarettes, alcohol, greasy fried foods, soda pop, chocolate and other such foods are very hard on us. Many years of using these things brings on the conditions we are discussing. They should be eliminated from the diet. As health is restored, fewer prescription drugs and over-the-counter medications will be needed.

On the positive side, we should be eating one good protein a day: chicken, fish, lamb, cottage cheese, eggs, seed and nut butters - and one good whole-grain starch or equivalent: brown rice, millet, yellow cornmeal, rye, baked potato, sweet potato - and two fresh fruits and six vegetables - 60% raw - as in salads and in good variety. *As we grow older, we need more protein than before. This must be kept in mind.*

For example, a recent test conducted in England showed that victims of Alzheimer's disease who took purified lecithin every day improved their memories. Lecithin helps make *acetylcholine* which improves nerve transmission. The amino acid *tryptophan* is needed to make *serotonin* in the brain for healthy restful sleep. The amino acid *tyrosine* relieves depression in many cases. We must also eat iron-rich foods or take iron supplements to build up our red blood cells to carry more oxygen.

Since the elderly have trouble with digestion and assimilation, easily digested foods are a necessity. It does no good to eat a balanced diet - *if we cannot digest or assimilate the nutrients.* Once a better diet is regularly taken with deficiencies in nutrients eliminated, digestion and assimilation will improve in most cases.

As we grow older, we need more than a balanced diet. Dr. Richard Wurtman says, "Conceivably, we could concoct a kind of tonic to stop this degenerative process and to make the most of the remaining neurons." *This is one of the ideas we kept in mind while developing the Ageless™ formula.*

DO I REALLY HAVE TO EXERCISE?

Absolutely! *Exercise must be selected according to a person's age.* While anemia - due to a lack of iron - Vitamin B_{12}, folic acid or other factors - can be corrected with food or supplements, *poor circulation is due to a lack of exercise* and can only be overcome by taking up such activities as walking, stretching exercises, swimming and a new exercise program that employs the use of a mini-trampoline. The simplest exercise is sitting with the feet on the trampoline while another person bounces on it. Slanting board exercises are also beneficial.

The legs are the pumps that drive the venous blood back to the heart, according to Dr. Paul Dudley White, President Dwight Eisenhower's doctor. We must use our legs! Dr. White correctly says, "Flabby leg muscles make a flabby brain." *Inactive legs cannot drive the blood supply to the brain.*

Exercise is necessary for another reason. The lymph system that carries so much of the catarrhal wastes from the body is much like our blood system, but it has no pump like the heart. *Muscle movement is the only thing that moves the lymph along.* Without exercise, the lymph cannot move and circulation is impaired and depleted. *Many troubles result:* bronchial problems, low-grade infections, colds, flu and so on. *We must have good circulation of lymph for an ageless body.*

Proper bowel elimination - which is improved by exercise and proper eating habits - helps cleanse the blood, improves the appetite, lowers cholesterol and trigylcerides and generally adds to the feeling of well-being.

TOXINS HASTEN THE AGING PROCESS

We must realize that not all toxins enter the body from the outside. When we have taken care to reduce all possible external toxins - junk food, tobacco, alcohol, fried foods and so on - *we can still be producing toxins faster than we are getting rid of them.* This happens particularly when our body becomes underactive in one or more of the eliminative channels, such as kidneys, bowel, bronchials and skin.

Help is on the way! Over the years, we have found several effective herbs and substances that help rid the body of toxins. The most powerful cleanser I know is *chlorophyll.* Green plants and algae get their color from cholorphyll, which plays a vital role in photosynthesis, the process whereby plants use solar energy to manufacture their food. *Cholorphyll is a solar energy food which does much to retain youthfulness.*

Chlorophyll is a natural purifier which cleanses and deodorizes the bowel, removes heavy metals from the body, detoxifies the liver and kidneys and helps draw toxic settlement out of the tissues. Research by the U.S. Army shows that chlorophyll helps remove radioactivity from the blood, accelerates healing, resists bacteria, helps varicose veins and counteracts many toxins in food. *Chlorophyll is one of the best foods for detoxifying the body.*

THE AGELESS™ APPROACH

Dr. Abram Hoffer says, *"Normal brain function depends on rapid circulation of blood through the brain."* Other conditions which generate adverse symptoms - such as vitality loss and nerve depletion - are kidney disease, thyroid trouble, infection, liver disease, alcoholism, diabetes, brain tumors, depression and the side effects of drugs.

It has been reported that 74% of those classified as having aging symptoms have three or more chronic diseases. *The diseases and the senility condition are interrelated - and we must deal with them both.* We cannot isolate the brain from the rest of the body and deal with it alone. The main factors must be recognized as anemia, circulatory impairment, toxemia, nutrient and mineral deficiencies and glandular imbalance. Each of these processes, aside from depleting the brain and subverting its function, add to the severity, toxicity and chronicity *of any disease or ailment existing in the body.*

Restoring brain function is the first and most important step in the natural reversal of chronic disease and the alleviation of its symptoms.

The Ageless™ formula helps restore and enhance and brain functions necessary to improve the activity of all vital organs and to support the natural immune system. *As Ageless™ works, the body begins to replace toxic-laden and damaged tissues weakened by previous nutrient starvation.*

WHAT ELSE CAN I DO TO STAY YOUNG?

While Ageless™ gives excellent results when ingested properly, the senile person can enhance the oftentimes augment and hasten results achieved with Ageless™. We believe that the senile will be doubly benefited if they will use the following as a guide and adjust their intake up or down to suit individual requirements.

Supplementation with the following vitamins and minerals is not only for the senile, but should begin early and will benefit the ingestor throughout life.

1. *Thiamine* - (Vitamin B_1) If the person has consumed large quantities of sugar, his body has increased its need for thiamine. Thiamine is essential for the metabolism of sugar.

While the alcoholic is usually deficient in most minerals and vitamins, he is *always* deficient in thiamine. Sugar and alcoholism are very closely related in the body response for the need of increased thiamine.

We recommend the use of at least 250 mg thiamine on a daily basis, being divided into as many smaller doses as may be convenient.

2. *Vitamin A* - If the person has experienced considerable sickness, Vitamin A supplementation is desirable. Vitamin A is a valuable adjunct in contagious diseases, skin problems and eye problems. Vitamin A maintains the integrity of the collagen in the skin.

We recommend 5,000 and higher International Units of Vitamin A on a daily basis. (Authors of this pamphlet take 200,000 I.U.)

3. *Ascorbic Acid* - (Vitamin C) Vitamin C stimulates and increases the production of interferon threefold. Interferon increases the ability of the cells to resist penetration by viruses. Vitamin C is a valuable laxative for those senile persons plagued with constipation. The Vitamin C intake can be gradually increased until the laxative effect is encountered. The amount then can be regulated to be either a laxative - or just this side of a laxative - depending on the bowel condition of the person.

Vitamin C prevents and reverses the effects of atherosclerosis over long periods of time. Also, when a person is ill, a great deal more Vitamin C is valuable. Many M.D.s recommend the ingestor increase his Vitamin C ingestion.

We recommend from 1 to 3 grams Vitamin C daily.

4. *Pantothenic Acid* - Pantothenic acid is essential to regulate and assist the functioning of the central nervous system. Pantothenic acid deficiency leads to nerve and central nervous system destruction. It helps maintain the capability of the immune system and helps fight stress.

We recommend from 250 to 1,000 mg daily.

5. *D'alphatocopherol* - (Vitamin E) Eight Vitamin E isomers are found in nature. D'alphatocopherol is the most active biologically. The synthetic Vitamin E's being manufactured are either not active or are a great deal less active than the natural form. Vitamin E is a powerful antioxidant which combines the free radicals.

We believe the best daily dosage ranges from 400 IU to 1,600 IU daily.

6. *Vitamin K* - Many people tend to bruise quite easily. Both Vitamin C and Vitamin K are helpful.

Individual experimentation is called for with Vitamin K.

7. *Other Vitamins* - *Vitamin C_3* is helpful in cases of difficulty with calcium metabolism. *Folic acid* and *Vitamin B_{12}* assist if the red blood count is low. Oftentimes, the rest of the B vitamins are useful, depending on the individual case and condition.

There are generally considered to be fourteen major minerals and trace minerals necessary for life. While all are essential for abundant health, *calcium, magnesium* and *zinc* seem to have the best antisenility effects.

1. *Calcium* - Calcium is the most abundant mineral found in the body, bones and teeth. The bones and teeth are the repository of about 99% of the body's calcium.

We recommend a minimum dosage of 1 gram of calcium supplement on a daily basis and certainly an increased intake of up to 2 grams per day would probably be helpful.

2. *Magnesium* - Magnesium is an essential element found in the body. The adult body contains about 25 grams of magnesium. Magnesium assists in the absorption of calcium. About 75% of the magnesium is combined with calcium and phosphorus in the bone-salt complex.

Lack of magnesium accelerates or accentuates some of the symptoms of senility. Magnesium deficiency causes mental confusion, disorientation, muscle twitching, tremors, blood vessel clots and apprehensiveness.

We recommend 1 gram of magnesium as a daily supplement.

3. *Zinc* - Zinc is a trace metal or mineral essential in maintaining an adequate blood level of Vitamin A. The synthesis of RNA, DNA and protein are achieved with the presence of zinc. Zinc is needed in 70 known enzymes.

Zinc salts are water-soluble and are thus lost readily from the body. Zinc is not stored in the body, but must be ingested on a daily basis. *A deficiency of zinc is often mistaken for senility.* A deficiency of zinc oftentimes causes a confused state, a disorder of the taste and smell senses and prostate enlargement. We recommend about 50 mg of zinc daily.

If a person lacks taste or smelling abilities, has chalky-white areas on the nails or prostate trouble, we recommend from 200 to 700 mg of zinc sulphate, or 25 to 100 mg of zinc gluconate on a daily basis.

WHAT ARE THE POSSIBLE "SIDE EFFECTS" OF AGELESS™?

There are few possible side effects with Ageless™ tablets, *but even excess intake is nontoxic.* When side effects appear, they can be eliminated easily by reducing or discontinuing intake of tablets for three to seven days, then starting again at a lower level. If our suggested schedule is followed, any side effects should develop gradually and pose no difficulty. *None of the side effects are lasting and none are harmful to the body.*

Flushing - Those familiar with various effects of nutrients will recognize the *"niacin flush"* produced by Ageless™. This reddening warm blush is harmless. It is short lasting and may not occur after the first tablet. It is simply a release of the histamines in the body, according to Dr. Abram Hoffer.

Nausea - Nausea may be encountered if too many toxins are being eliminated from the body at once. Reduced intake is recommended for a few days, gradually increasing intake to bring back to the recommended level.

Skin Discoloration - A discoloration of the skin may occur in a few individuals in the flexor areas, such as the armpits, inside elbows, behind the knees. This effect is harmless and will disappear in a few days.

Edema - A swelling of the ankles may appear in hot weather during the daytime hours. If swelling persists, reduce intake of Ageless™ until the hot weather passes.

Peptic Ulcer - An irritation of a peptic ulcer may occur from the bee pollen in Ageless™. Bee pollen has a Ph reading of between 4 and 5, slightly to moderately acidic.

Note: A glucose tolerance test may be distorted by Ageless™.

AGELESS™ INTENSIVE SCHEDULE FOR THOSE EXPERIENCING ADVANCED SENILITY

This schedule should be followed only under a doctor's supervision.

For those having partial or completely incapacitated relatives and friends, Ageless™ is expected to be a great blessing! It is our sincere hope that Ageless™ tablets will be extensively used by those in charge of nursing and retirement and convalescent home, in consultation with their staff and the on-call physician.

The purpose of the Ageless™ formula is to make the lives of seniors more enjoyable, responsible and independent - and to provide the nutritional shield that protects against the aging process in younger persons as well.

The Ageless™ tablet will permit many presently incapacitated persons to return to the main stream of life and live the remainder of their lives without senility symptoms.

This schedule is for persons with severe senility or those chronically ill, including individuals with Alzheimer's disease. This demanding schedule is geared to achieve optimum results. The hourly schedule refers to *waking hours only.*

1st Week -	*1 Ageless™ tablet every hour*
2nd Week -	*2 Ageless™ tablets every hour*
3rd Week -	*3 Ageless™ tablets every hour*
4th Week -	*4 Ageless™ tablets every hour*
5th Week -	*And each week thereafter:* *Increase one tablet every hour as long as the supervising doctor continues to see improvement.*

When an improvement-plateau is reached, redution of intake should continue weekly until the proper maintenance level is established for the individual. *If symptoms begin to return, increase intake immediately.*

As vitality returns, more exercise should be encouraged, along with the use of a slant-board two or three times daily for 10 minutes to help bring the blood to the head.

If no progress or change is noted by the 16th week, destruction of the central nervous system - and possibly brain damage - has occurred. In this case, optimum nutrition with the Ageless™ formula is not the suitable approach.

We do not consider any case hopeless, but we are aware that nutritional enhancement will not be the answer for everyone.

THE AGELESS™ ANTI-SENILITY FORMULA

ALGAE (KELP): One of the highest known sources of iodine, which builds and promotes health of thyroid, pituitary, adrenal glands. High in trace minerals and vitamins.

AMERICAN CENTUARY: Used for centuries by many native American Indian tribes for incredible endurance and strength. American Centuary is an aperative and digestive stimulant and eases indigestion. Strongly indicated in convalescent diets.

BEE POLLENS™ HIGH-DESERT®: This noted nutritional supplement is a blend of 20 enzyme-active pollens containing ALL nutrients necessary to life, with powerful age-retarding qualities. The synergistic action of High-Desert® pollen enhances and strengthens all herbal properties, increasing their value by enabling the system to make full and effective use of all elements.

BETAIN Hcl: Hydrochloric acid is necessary for efficient digestion. Hcl combines with pepsin in the stomach to start the conversion of proteins into amino acids, the building blocks of the body. Necessary to destroy harmful bacteria and bacilli.

BLACK COHOSH: Contains hormones to powerfully retard aging. Traditionally used for rheumatism, arthritis, asthma, high blood pressure. A superior relaxant and anti-spasmodic.

CAPSICUM: References to this powerful herb date beyond Biblical records. Increases power of all other agents. Helps digestion and arouses all secreting organs. Unequalled when a powerful and prolonged stimulant is needed, as in congestive chills, heart failure and other conditions calling for quick action. A great food for the circulatory system. Feeds capillaries so they regain the elasticity of youth. Normalizes blood pressure; equalizes blood circulation. Helps loosen mucous and cholesterol; strengthens walls of arteries and veins.

CLOVER (RED): A specific for spasmodic coughing, bronchial spasms, even whooping cough. Relieves and soothes entire respiratory tract.

CLUB MOSS: Serves as an invigorant for the endocrine system, probably because of the presence of the alkaloid 'lycopodine.' Contains oil used to relieve rheumatism, epilepsy, disorders of the kidneys and lungs. Commonly used for numerous physical and nervous complaints.

CYANOCOBALAMIN (VITAMIN B_{12}): Promotes proper development of red blood cells. Assists growth of nervous system maintenance. Useful in treating anemia accompanied by general weakness and fatigue, red and sore tongue and spinal cord with peripheral nerve degeneration.

DANDELION ROOT: Early Egyptian healers used as blood purifier, blood builder, for diabetes and hypoglycemia. Effective for fatigue, skin disorders (age spots), liver or kidney trouble.

ECHINACEA: Known throughout recorded history to provide the physical body with the ability to increase resistance to infection. Contains rhizomes with powerful healing properties. A basic blood builder. Very effective in lymph gland infections.

FENNEL SEED: A natural treatment for obesity; reduces appetite. Prevents gas in the stomach and bowels. Excellent for acid stomach, gout, cramps, colic and spasms. Increase the flow of urine and helps move waste material out of the body. Stabilizes the nervous system. Successfully used in treatment of bronchitis, colic, coughs, stomach and intestinal problems.

FOENUGREEK: Powerful herb used as treatment in any inflamed condition of the stomach or intestines. Good digestive aid.

FO-TI: Little known in this country, this excellent herb is reported to contain an unidentified vitamin. This substance appears to have a marvelous rejuvenating effect on both brain cells and endocrine glands.

GENTIAN ROOT: One of the most important tonic herbs. Although the root is used, American Indians call this 'blue blossom medicine.' Powerful revitalizing tonic for weakness of the digestive organs, general debility. Tones liver.

GINGER ROOT: Rhizome traditionally used for colds, spasms, flatulence, colic. A fine tonic and stomachic, especially for convalescents. Good for indigestion, headache, gas, pain, flu, morning sickness and motion sickness. Prevents griping. Assists in cholera, gout, chronic bronchitis.

GOLDEN SEAL: Nature's antibiotic. Stops infection and kills poisons in the body. A most effective healing herb. Can reduce swelling and stop internal bleeding. A natural substitute for quinine with no after effects. Powerful tonic for disorders of assimilation. Aids digestion. Valuable in all catarrhal conditions. Tones and sustains venous circulation.

GO-TU KOLA: Acts to strengthen and revitalize worn-out bodies and brain cells, thus preventing brain fatigue and nervous breakdown. Known as the 'secret of perpetual youth.' Strengthens the heart, memory and brain. Helps hormone balance.

GUMACACIA: Often used as an ingredient in medicinal compounds for treatment of diarrhea, dysentery, catarrh, cough, hoarseness. A fine demulcent.

HAWTHORNE BERRIES: Considered to be a curative for organic and functional heart disorders, rapid or feeble heart actions, hypertrophy, valvular insufficiency an heart oppression.

HOLYTHISTLE: Useful as a tonic for building and strengthening the body. Very helpful in restoring waning appetite in convalescents and the chronically ill.

JUNIPER BERRIES: A favorite of ancient herbalists of Greece and Arabia. Known to have been used by the Romans as a mild diuretic, stimulant and carminative. A strong kidney remedy.

LECITHIN: Acts in many ways to safeguard health. One of nature's great antioxidant fat-fighters. Assists other vitamins and minerals work more effectively. Influences cholesterol levels, skin problems, bodily functions.

LICORICE: Has been used in the natural healing arts for centuries as a fine blood purifier and powerful natural expectorant. Widely used today in natural cough syrups.

MYRRH: Gives vitality and strength to the digestive system. Promotes better waste elimination, soothes the stomach. Gradually exerts an alterative influence in building up strength, energy and health. Has a high reputation in gastrointestinal irritations. Encourages rapid healing.

NICOTINIC ACID (NIACIN): Needed for cell metabolism, converting food to energy. Aids nervous system, helps maintain healthy skin. Strongly indicated for weakness, loss of appetite, indigestion, irritability, headaches, insomnia, memory loss, skin rash, gastrointestinal problems.

PAPAYA: Known as 'vegetable pepsin.' The classic treatment for digestive problems. Valuable for facilitating digestion, protecting mucous membranes from irritation, preventing bacterial infection. Reported to contain Vitamins A & C.

PEPPERMINT LEAVES: Strengthens the nerves and heart muscle. Assists digestion, cleanses and tones entire body. Mild sedative effect for the nervous and restless of all ages. Excellent for chills, colic, fevers, dizziness, gas, nausea, vomiting, diarrhea, dysentery, cholera, heart trouble, palpitations of the heart, influenza, la grippe, hysteria headache.

PYRIDOXINE (VITAMIN B6): Essential for healthy red blood cells, gums and teeth, blood vessels and the nervous system. Indicated in cases of fatigue, anemia, nerve dysfunction, hyperirritability and possible kidney stone formation.

SKULLCAP: A powerful herb considered to be one of the finest nervines. Universally prescribed by herbalist for disorders of the nervous system.

EZEKIEL 47:12-....shall grow all trees for meat... and the fruit thereof shall be for meat, *and the leaf thereof shall be for medicine.*

Ms. ENGEL. After my statement is in, I thought that maybe Senator Weicker would like to hear about Bob Hoffman who is president of the York Barbell Co., and the holder of over 600 athletic awards.

I have represented that company for the past 12½ years. Unfortunately, when Mr. Hoffman came home from Greece at his age and was told not to compete in weight lifting he did otherwise and was given a 10-percent chance for living.

He called me immediately when he got off the plane and said that they wanted to do a bypass surgery on him for his heart. I said I could not take responsibility for it. I'm not the authority, but I would check into it; and would they please give me 3 days to do it.

So, therefore, I contacted the best people in the country and they said to me, "Please tell Bob to take that bypass surgery. He will live 3, 5 to 7 years longer." This was 4 years ago.

Now, no one seems to mention in the Alzheimer's disease—I'm a volunteer in this—how I got involved, because my heart has been broken. His office was terminated 2 years ago. He lost his memory and is reversed to childhood.

Why would a man who has lived as extensively as he has—no drinking, no smoking, taking his vitamins, being Mr. Physical Fitness of America, known all over the world for his competition with exercise and what not—be stricken with this kind of a disease?

Now, the result was that after many years of research it was determined that it was the medicine that was given to him to save his heart and keep it pumping for the last 4 years that got him involved in Alzheimer's disease where it caused a brain deficiency.

I was very fortunate because getting interested in this I found out what Alzheimer's disease is all about. I went to Nashville and met Mr. Royden Brown who is a health researcher since 1943 arriving from London, England and establishing his offices in Scottsdale, AZ.

He has the most tremendous way of helping that I have ever heard of. I was very impressed with him. He has now gotten Mr. Hoffman on a way to a cure with taking so many tablets a day, which include herbal and other ingredients, that have been most successful for people suffering from Alzheimer's disease.

He has made a deal in this respect; that he will serve 100 patients free of charge once they have a medical certificate that they have Alzheimer's disease. He's willing to do that. I was so impressed and I was glad to know that he was the one who could handle something like this.

So I wanted to go on record with my statement, if you will allow me, please, sir, to do that; and then also to state that there may be a way of cure to help the people who are afflicted with Alzheimer's disease. It's dreadful.

When Bob used to call and say, "I can't remember this," "I can't remember that," I said, "Well, please rely on me. My memory is still good." I said, "We'll go along and I'll remember for you."

But unfortunately the company terminated the office and felt that Bob was very incompetent; there was no use to keep going. But there is a use to it because this man, who never complained before, all of a sudden got heart trouble and his heart was saved. Now we have to save the rest of his memory and his brain.

We can do it. He's coming along fine. My latest report is that he is gaining some degree of education. What we're trying to do is educate the public. There is a way of telling people.

Another thing I think we ought to realize, Mr. Chairman, is that the blow to the head should be avoided. Many people suffer injury and diseases because they've been hit on the head. That's another thing that creates brain deficiency.

Another thing I believe, too; that I think sometimes individual wisdom supersedes scientific evidence, and I've proven that many times.

It's been our own experience in our living habits as to our lifestyle with our mental disturbances, our emotional crises—that effects us all—the stress that we all go through, there are certain ways of handling things. If we can continue on to just keep educating the public——

I have traveled now through six States and I have been trying to do my very best to tell everybody what I thought they should do as far as their behavior is concerned. I think the record will speak for itself. Every bit of it is vital. It's information that I think all of us ought to know.

Senator INOUYE. The information will be made part of the record.

Ms. ENGEL. Yes; thank you very much. I appreciate your kindness.

Senator INOUYE. I thank you, ma'am.

STATEMENT OF DR. WILLIAM C. HAYS, DIRECTOR, UNIVERSITY GERONTOLOGY CENTER, WICHITA STATE UNIVERSITY, REPRESENTING THE ASSOCIATION FOR GERONTOLOGY IN HIGHER EDUCATION

Senator INOUYE. Our next witness is Dr. William C. Hays, director of the University Gerontology Center, Wichita State University.

Dr. Hays.

Dr. HAYS. Senator Inouye, I appreciate the opportunity that the committee is giving us to testify. I shall be brief and direct in my remarks.

Senator INOUYE. Your full statement is made part of the record.

Dr. HAYS. Thank you.

AGHE is a professional membership association of over 200 institutions of higher education that conduct research and provide education, training, and technical assistance in the field of gerontology. My testimony is presented on behalf of this association concerning the appropriations for fiscal year 1985 for title IV of the Older Americans Act; National Institute of Mental Health Center on Aging; and the Research and Education Program of the National Institute of Aging.

It is our recommendation that title IV funding for the Administration on Aging be increased slightly from the 1984 level to $28.5 million. This level of funding is necessary in order minimally to continue the major programs supported under title IV.

It is clear that the administration's request of $5 million to support all of the Discretionary Program under title IV is, for all practical purposes, an effort to abolish the program. According to the recently released "Report on Education and Training in Gerontology and Geriatrics" produced by the National Institute on Aging, there is a clear shortage of trained professionals in geriatrics and gerontology. Overall, the NIA report finds that the number of investigators and teaching faculty is only 5 to 25 percent of the number needed.

It is unclear how the administration can claim to be meeting the need for trained personnel in gerontology and geriatrics when we do not, as yet, have one-fourth of the trained faculty and researchers needed. The funding level of $28.5 million recommended by AGHE, while an increase over the fiscal year 1984 level, is still only 52 percent of the fiscal year 1980 funding for title IV.

It is our recommendation that at least an additional $6.5 million be appropriated to the National Institute of Mental Health to support clinical and research training. Since the administration proposes no funding for clinical and research training at all, it is crucial that a funding level at least equal to the fiscal year 1984 budget be provided. In the past 2 years Congress has provided funds for clinical training and we strongly endorse funding at least to continue these programs at last year's level.

While the funding levels we recommend for title IV and for the NIMH Center on Aging are, in effect, to save these programs from extinction, in the case of the National Institute of Aging we recommend a substantial increase. It is our recommendation that a funding level of $150 million for NIA for fiscal year 1985 be appropriated.

The administration's proposal of $117.4 million, while sufficient to maintain current levels of effort, provides no room for expansion. We are recommending a $32.6 million increase for three reasons.

First, the increase would permit NIA to pursue a number of their priority areas. Second, discipline-based faculty training and basic knowledge and information about the aging process are likely to come from the programs developed by NIA. It is this type of training which will provide the faculty to teach the needed professionals.

The third reason is that the increased research funds for NIA partially offset the deficits reductions of research funding in a variety of other Federal programs. The programs in training and research have proven to be cost effective and a very beneficial investment of Federal dollars. The initial funding which is provided certainly stimulated State and university and private support.

Therefore, we feel that the payoffs, particularly given the high level of need, are a cost-efficient approach for Federal expenditures.

I appreciate the opportunity to testify and will be glad to answer any questions which you may have.

Senator INOUYE. I have been advised that the staff may have a few questions to submit. So, if we may, we'd like to submit them.

Dr. HAYS. We'll be glad to provide you with the testimony as needed. Thank you.

PREPARED STATEMENTS

Senator INOUYE. Thank you very much. Your statement will be included in the record at this point, along with other statements submitted for the record on appropriations for the National Institute on Aging.

[The statements follow:]

STATEMENT OF DR. WILLIAM C. HAYS

Chairman Weicker and members of this subcommittee, I am William Hays, Director of the University Gerontology Center at Wichita State University and member of the Membership Committee and Annual Meeting Chair of the Association for Gerontology in Higher Education (AGHE). AGHE is a professional membership association of over 200 institutions of higher education that conduct research and provide education, training, and technical assistance in the field of gerontology. My testimony is presented on behalf of this Association concerning the appropriations for Fiscal Year 1985 for the Title IV of the Older Americans Act, the National Institute of Mental Health Center on Aging, and the research and education programs of the National Institute on Aging.

I thank you for this opportunity to testify before this committee. In the interest of time, I shall be brief and direct in my remarks, and I ask that my written testimony be submitted for the record.

It is our recommendation that Title IV funding for the Administration on Aging be increased slightly from the 1984 level to $28.5 million. This level of funding is necessary in order minimally to continue the major programs supported under Title IV. These programs include among others:

a. the Career Training Program, the major impetus for developing and supporting training leading to specific careers in gerontology and aging services, the major source of both institutional and faculty development funds in gerontology, the basis for the development of gerontology centers, and a major source of support for continuing education of professionals who need on the job training in gerontology;

b. the Long-Term Care Gerontology Centers, intended to become a focal resource point and center for training with one located in each federal region, focused upon community based care for the chronically ill and functionally disabled older persons, intended also to conduct applied and policy based research;

c. State Education and Training, which supports continuing education and in-service training for the state and area agencies on aging;

d. the Minority Institutions programs, which support increasing the institutional capabilities in gerontology at Historically Black Colleges and Universities, special programs for minority management and research training;

e. Research and Demonstration, supporting projects related to the goals and objectives of the Older Americans Act.

It needs to be noted that because of commingling of AoA funds with the those of other HHS agencies and the discretionary nature of Title IV, it is difficult to derive precise levels of funding within each of these areas. AGHE has addressed this problem in separate testimony on the reauthorization of the Older Americans Act. It is clear, however, that the administration's request of $5 million to support all of the discretionary programs under Title IV is for all practical purposes an effort to abolish the program.

According to the recently released Report on Education and Training in Geriatrics and Gerontology (Administrative Document, National Institute on Aging, February, 1984), there is a clear shortage of trained professionals in geriatrics and gerontology. To cite just a few figures: (1) while fewer than one percent of the nurses with master's or doctoral degrees have a primary focus in gerontology or geriatrics, by 1990 more than 150,000 RNs will be needed in nursing homes and by 2000 more than 250,000 will be needed; by 1990 about 106,000 community nurses with training in aging will be needed; (2) a survey of 50,000 social workers found that fewer than five percent indicated a primary career goal of service to the aged, and a 1981 survey reported that 41 percent of MSW programs had no courses or only one in aging; (3) a Rand study estimated that as many as 2,600 researchers are needed to form the nucleus for basic and applied scientific investigation in geriatrics; and (4) only 10 of the approximately 700 teaching faculty in occupational therapy programs are experts in gerontology.

Overall,the NIA report finds that the number of investigators and teaching faculty is only 5 to 25 percent of the number needed. It is unclear how the administration can claim to be meeting the need for trained personnel in gerontology and geriatrics when we do not as yet have even one fourth of the trained faculty and researchers needed. The $5 million recommendation by the administration would equal the expenditure made in 1982 and 1983 for the Long-Term Care Gerontology Centers alone. In FY 1982, $2.5 million was expended for Gerontology Career Preparation programs, down from the $7.8 million in this program in FY 1980. The FY 1982 program provided for training of 1,530 persons. The NIA report estimates that 450 social workers alone need to be trained in the area of mental health. The funding level of $28.5 million recommended by AGHE, while an increase over the FY 1984 level, is still only 52 percent of the FY 1980 funding for Title IV and is a moderate request given the level of need.

It is our recommendation that $6.5 million be appropriated to the National Institute of Mental Health to support clinical and research training.

The Center on Aging programs are not the only programs at NIMH which impact upon research and training in gerontology and geriatrics; however, since the administration proposes no funding for the clinical and research training at all, it is crucial that a funding level at least equal to that of FY 1984 be provided.

The current programs of the NIMH Center on Aging include research and training in the following areas: causes, treatment, and prevention of Alzheimer's Disease, Senile Dementia, and Depression (including the relationship of depression to suicide and alcoholism); Psychopharmacology; the Interface of Physical Illness and Mental Disorder in Later Life; Chronically Mentally Ill Elderly; Treatment Intervention and Service Delivery Models for the Elderly; Effects of Families, Support Systems, and Self-Help Groups on the Care of Older Persons with Significant Mental Disorders. The training programs are specifically focused upon: (1) clinical psychologists, (2) psychiatrists, (3) psychiatric nurses, and (4) social workers. Specific language in the appropriations bill limits support to these four areas. While we have no objections to these specific disciplines, the inclusion of mental health and gerontology content for other disciplines would be helpful given the prevalence of mental health problems among the aged and the research evidence that the older segment of the population is critically underserved in mental health. The record of the administration would indicate that they are committed to to the elimination of clinical training in all mental health areas including training for and about the aged. This year is the third in a row that there has been no request from the administration for clinical mental health training. In the past two years, Congress has provided funds for clinical training, and we strongly endorse funding at least to continue these programs at last year's level.

While the funding levels we recommended for Title IV and for the NIMH Center on Aging are in effect to save these programs from extinction, in the case of the National Institute on Aging we recommend a substantial increase. It is our recommendation that a funding level of $150 million for NIA for FY 1985 be appropriated. The range of activities of the NIA are too comprehensive to be more than highlighted in this testimony; greater detail is provided in the Director's report and the report on education and training which I have already mentioned. The NIA provides research and training ranging from molecular biology to social and behavioral research and demographic and epidemiological studies. Specific program emphasis has included Alzheimer's disease, lengthening life expectancy, maintaining health and functioning in later years, nutritional studies, cognitive aging, biosocial aging and health, older people and society, and clinical medicine. The rapid progress which NIA has made in the area of neuroscience and aging and the potential of this research for preventing and treating various forms of dementia are profound.

The administration's proposal of $117.4 million, while sufficient to maintain current levels of effort, provides no room for expansion. We are recommending a $32.6 million increase for three reasons. First, the increase would permit NIA to pursue a number of their priority areas such as Alzheimer's disease, molecular biology genetics research, the research training awards, and research careers program. Secondly, discipline-based faculty training and basic knowledge and information about the aging process are likely to come from the programs developed by NIA. It is this type of training which will provide the faculty to teach the professionals who will, in turn, provide direct service to older persons, and it is this type of research which provides the information and explanations of the aging process which will be used in the textbooks by these faculty. The third reason is that the increased research funds for NIA partially offset the deficits and reductions of research funding in a variety of other federal programs.

In relation to all three of the funding recommendations there are two major points which should be stressed. The first is that a present investment in research and training is a wise choice because the programs are beneficial and cost effective. The second is that the present and future need for trained personnel is acute and necessitates major expenditures.

The future needs for trained personnel in aging, especially in the professional areas, are well documented. Recent research on graduates of Master's Degree programs in Gerontology indicate a very high demand for and placement of students from these programs; in fact, a study by David Peterson of the University of Southern California indicated that over half of the graduates from these programs held positions with administrative responsibilities, even though their interest was more in direct service. A survey of graduates of the Wichita State program found that 90 percent of the master's degree program graduates were employed in aging positions within six months of graduation. This survey was done at the height of the recession, in academic year 1981-1982.

While the need is great for trained personnel, the funds for student support have been rapidly declining. Since there are still relatively few fully developed gerontology programs in the country, particularly degree programs, students frequently apply from out of state and need financial support for the high tuition rates. As one of only three programs in the country with both bachelor's and master's degrees in gerontology, Wichita State University frequently loses out of state students because of the lack of financial support. Even though Wichita State University has very high levels of institutional support (we have four graduate teaching assistantships, supported by institutional funds, for next year), we will lose some out of state students because we cannot provide financial assistance. Most institutions of higher education can provide less support than is available at WSU.

In a study commissioned by the AoA (Ketron), the career preparation program was found to deliver a very high level of training for the dollars expended. These programs have also shown a high level of spin off activities and the effectiveness of federal dollars in attracting other funds from states, universities and the private sector. In 1975, when Wichita State University received its first AoA training grant, there was only one gerontology course being taught, and the university commitment consisted of three rooms in an building slated to be demolished and $2,000 to support a half time graduate teaching assistant. Presently, without the aid of AoA funding, WSU has two degree programs in gerontology, offers 30 specific aging courses in 12 departments in four colleges; has a ten room complex of offices in the recently completed Health Science Building; has faculty and students involved in teaching, research, and service projects dealing with hospice programs, day care for the elderly, home health care, audiology research, teaching centers, and DNA and aging; has a resource center supported in part by a private donor with more than 5,000 documents; and total university budget for aging related activities amount to more than $300,000.

The success of our program was possible only because the federal government was willing to make the initial investment to encourage the development of the program and to sustain the program so that we had time to demonstrate to other funding sources, including our state legislature, that the program worked and was worthwhile. Wichita State University and the other AGHE member institutions with fully developed programs can not meet the existing and future demand for research and training in gerontology. Many other institutions need sustained development support so that they have the opportunity to establish programs. One of the first students to graduate from our masters program said she was interested in a career in gerontology because it was an investment in her own future. Research and training expenditures in gerontology are an investment in all of our futures and the future needs are high.

The levels of funding which we are recommending are reasonable and realistic. They are not excessive, given the research and training needs in geriatrics and gerontology. Mr. Chairman, the Association for Gerontology in Higher Education recommendation for the FY 1985 budget for Title IV for the Administration on Aging is $28.5 million, for the National Institute of Mental Health Center on Aging is $6.5 million, and for the National Institute on Aging is $150 million.

Thank you for this opportunity to testify. I will be pleased to answer in questions you may have and will be glad to provide any additional written testimony which you may need.

STATEMENT OF DR. IRVING S. WRIGHT, EMERITUS PROFESSOR OF MEDICINE, CORNELL UNIVERSITY MEDICAL COLLEGE AND FOUNDING PRESIDENT, AMERICAN FEDERATION FOR AGING RESEARCH

I AM IRVING S. WRIGHT, M.D., EMERITUS PROFESSOR OF MEDICINE, CORNELL UNIVERSITY MEDICAL COLLEGE. I AM ALSO THE FOUNDING PRESIDENT OF THE AMERICAN FEDERATION FOR AGING RESEARCH (AFAR), A VOLUNTARY AGENCY ESTABLISHED FOUR YEARS AGO TO ENCOURAGE AND FUND RESEARCH ON AGING. FOR THIRTY FIVE YEARS I ENGAGED IN MEDICAL RESEARCH LARGELY DEALING WITH CARDIOVASCULAR DISEASE AT THE POST GRADUATE MEDICAL SCHOOL OF COLUMBIA UNIVERSITY AND AT THE CORNELL UNIVERSITY MEDICAL CENTER. I WAS HONORED TO HAVE THE FIRST ENDOWED CHAIR IN GERIATRICS IN THE UNITED STATES ESTABLISHED IN MY NAME AT CORNELL UNIVERSITY MEDICAL COLLEGE IN 1977 BY THE GLADYS AND ROLAND HARRIMAN FOUNDATION. I ALSO SERVED AS

PRESIDENT OF THE AMERICAN HEART ASSOCIATION (1952-1953), THE AMERICAN COLLEGE OF PHYSICIANS (1966-1967), AND THE AMERICAN GERIATRICS SOCIETY (1971-1972). AT THIS TIME I WOULD LIKE TO SUBMIT A STATEMENT AS A PRIVATE CITIZEN ON BEHALF OF THE APPROPRIATION FOR THE NATIONAL INSTITUTE ON AGING (NIA) OF THE NATIONAL INSTITUTES ON HEALTH (NIH).

LET ME SAY AT THE ONSET OF MY TESTIMONY THAT THERE IS NOTHING MORE URGENT IN THE FIELD OF HEALTH CARE FOR OUR AGING POPULATION THAN TO SUPPORT RESEARCH INTO THE CAUSES AND CURES OF THE DISEASES WHICH DISABLE SO MANY OLDER AMERICANS.

WE ARE SPENDING BILLIONS OF DOLLARS TO PROVIDE MEDICAL CARE FOR THESE AMERICANS BECAUSE WE BELIEVE IN A HUMANE AND GENEROUS SOCIETY. BUT IF WE WERE ABLE TO PREVENT OR CURE SOME OF THESE DISEASES OUR PEOPLE WOULD BE ABLE TO LEAD MORE MEANINGFUL LIVES AND THE ECONOMY OF THE COUNTRY WOULD BE IMMEASURABLY BENEFITTED. THE ONLY APPROACH TO THE REDUCTION IN THE INCIDENCE AND THE DEVELOPMENT OF CURES IS BY MEANS OF BASIC BIOMEDICAL AND SOLID CLINICAL RESEARCH - THERE IS NO OTHER WAY!

SINCE THE POST-WORLD WAR II PERIOD, I HAVE MAINTAINED A CLOSE RELATIONSHIP WITH NIH, SERVING AS A MEMBER OF THE NATIONAL ADVISORY HEART COUNCIL AND IN OTHER NUMEROUS CAPACITIES. DURING THIS TIME I HAVE WITNESSED THE EMERGENCE OF NUMEROUS INSTITUTES AND HAVE BEEN CONTINUALLY CONCERNED BY THE RELATIVELY INADEQUATE ATTENTION WHICH HAS BEEN GIVEN TO RESEARCH INTO THE MECHANISMS OF AGING AND ITS ASSOCIATED DISABILITIES IN PROPORTION TO THE MAGNITUDE OF THE PROBLEM. BECAUSE OF THIS RAPIDLY INCREASING CHALLENGE THE NIA WAS ESTABLISHED TO MEET THIS DEFICIENCY AND TO THE EXTENT THAT FEDERAL FUNDING AND REGULATIONS HAVE PERMITTED, IT HAS BEEN HIGHLY PRODUCTIVE IN THIS FIELD. AFAR, AS IT IS INCREASINGLY SUPPORTED BY THE PUBLIC, WILL HELP BRING AGING RESEARCH INTO THE MAINSTREAM OF SCIENTIFIC DISCOVERY AND ACHIEVEMENT. HOWEVER, AGING RESEARCH IS A RELATIVELY NEW FIELD OF INVESTIGATION AND HAS NOT EXPERIENCED THE LONG PERIOD OF GENEROUS SUPPORT FROM CONGRESS THAT SO MANY OTHER FIELDS HAVE RECEIVED SINCE THE 1950'S.

WE ARE NOW CONFRONTED WITH THE FACT THAT 27,000,000 PERSONS IN THIS COUNTRY ARE OVER THE AGE OF 65 AND THAT THIS SEGMENT OF OUR POPULATION WILL MORE THAN

DOUBLE DURING THE NEXT 30 TO 40 YEARS. YET MOST OF OUR MEDICAL SCHOOLS STILL DO NOT HAVE TRAINED FACULTY IN GERIATRICS, AND RESEARCH ON AGING IS STILL GROSSLY UNDERFUNDED. THIS IS ESPECIALLY SERIOUS SINCE IT IS ESTIMATED THAT TODAY'S MEDICAL STUDENTS WILL SPEND SOME 75% OF THEIR TIME IN MEDICAL PRACTICE CARING FOR THE ELDERLY. THE COST OF PROVIDING MEDICAL CARE FOR THIS SEGMENT OF OUR POPULATION IS INCREASING TREMENDOUSLY. THIS 12% OF OUR POPULATION ACCOUNTS FOR 29% OF HEALTH CARE COSTS, USES 25% OF PRESCRIPTION DRUGS, ACCOUNTS FOR 34% OF ALL DAYS IN SHORT STAY HOSPITALS AND COMPRISES 87% OF ALL NURSING HOME RESIDENTS. THIS IS FURTHER ILLUSTRATED BY THE PROJECTED INCREASE IN NURSING HOME COSTS FROM 24 BILLION IN 1980 TO 75 BILLION IN THE 1990'S, JUST A FEW YEARS FROM NOW. WE MUST FIND WAYS OF PREVENTING AND ALLEVIATING THE DISABILITIES WHICH AFFLICT THE ELDERLY TO REDUCE THE IMPACT OF THESE DRAMATIC COST INCREASES.

THESE DISEASES WILL NOT GO AWAY AS A RESULT OF LONG TERM CARE FACILITY CONSTRUCTION OR THE PRESENTLY AVAILABLE SOCIAL SERVICE, ESSENTIAL AS THEY MAY BE AT THIS TIME. THEY WILL ONLY MULTIPLY UNLESS BIOMEDICAL RESEARCH IS SUPPORTED AND FINDS SOME ANSWERS TO HELP IN THEIR PREVENTION AND TREATMENT. COLLECTIVELY THEY CONSTITUTE THE GREATEST HEALTH PROBLEMS OF THE PRESENT AND THE FUTURE. BASIC BIOMEDICAL AND SOUND CLINICAL RESEARCH REPRESENT THE ONLY POSSIBLE SOLUTION TO MOST OF THESE DISEASES.

MR. CHAIRMAN, AND MEMBERS OF THIS COMMITTEE, I WOULD LIKE TO SPEAK SPECIFICALLY TO SEVERAL AREAS WHERE MORE ADEQUATE FUNDING FOR AGING RESEARCH IS NEEDED. THE FOLLOWING AREAS ARE ONES THAT I STRONGLY FEEL MUST RECEIVE ADDITIONAL SUPPORT IF WE ARE TO CONTAIN HEALTH CARE COSTS:

INVESTIGATOR-INITIATED RESEARCH: RESEARCH MUST BE SUPPORTED TO CLARIFY AT THE MOLECULAR, CELLULAR, AND ORGANISMAL LEVEL, THE BASIS FOR THE PHYSIOLOGICAL DECLINE THAT ACCOMPANIES AGING AND RENDERS BIOLOGIC SYSTEMS INCREASINGLY LESS EFFICIENT IN NORMAL FUNCTION AND SUSCEPTIBLE TO AGE-RELATED DISEASE PROCESSES. WE MUST ALSO SUPPORT CLINICAL INVESTIGATION TO IMPROVE THE DIAGNOSIS AND TREATMENT OF THOSE DISEASES AND DISORDERS THAT OCCUR IN OLD AGE.

GERIATRIC MEDICINE: THE INSTITUTE CURRENTLY SUPPORTS AWARDS DESIGNED TO DEVELOP ACADEMIC FACULTY AND CLINICAL INVESTIGATORS UNDER THEIR ACADEMIC MEDICINE AWARDS PROGRAM. WITH CURRENT SHORTAGE OF TRAINED FACULTY IN GERIATRICS, THIS PROGRAM

IDEALLY SHOULD BE EXPANDED TO INCLUDE AN AWARD FOR MOST OF OUR 126 MEDICAL SCHOOLS. ULTIMATELY ALL MEDICAL STUDENTS SHOULD RECEIVE TRAINING IN GERIATRIC MEDICINE. IN ORDER TO ACHIEVE THIS A MARKED INCREASE IN TRAINED FACULTY WILL BE ESSENTIAL. HOWEVER, SINCE THIS MAY NOT BE IMMEDIATELY FEASIBLE ECONOMICALLY, I AM RECOMMENDING FUNDS FOR AT LEAST 10 NEW AWARDS BE MADE AVAILABLE EACH YEAR.

DEMENTIAS OF AGING: THE HUMAN AND HEALTH CARE COST OF SENILE DEMENTIA OF THE ALZHEIMER'S TYPE (SDAT) NECESSITATES THAT THIS BE A MAJOR PRIORITY OF THE INSTITUTE. SOME 3 TO 4 MILLION **AMERICANS** SUFFER FROM SOME TYPE OF DEMENTIA, AND BETWEEN 500,000 AND 1,500,000 OF THEM HAVE SENILE DEMENTIA OF THE ALZHEIMER'S TYPE, A DISEASE OF UNKNOWN ETIOLOGY CHARACTERIZED BY GLOBAL INTELLECTUAL DETERIORATION AND INABILITY TO CARRY OUT THE NORMAL TASKS OF DAILY LIVING. FOR THE PAST THREE YEARS, THE INSTITUTE HAS PROVIDED LEADERSHIP FOR A MAJOR EXTRAMURAL INITIATIVE IN THIS AREA AND IT IS RAPIDLY ASSUMING A POSITION OF LEADERSHIP WITH THE DEVELOPMENT OF ITS LABORATORY OF NEUROSCIENCES AT THE NIH CLINICAL CENTER. ADDITIONAL FUNDING OF APPROXIMATELY 2 MILLION ABOUT EQUALLY DIVIDED BETWEEN THE INTRAMURAL AND THE EXTRAMURAL EFFORT, IS REQUIRED.

OTHER DISEASES ASSOCIATED WITH AGING: IMPORTANT AS ALZHEIMER'S DISEASE AND ALLIED DISEASES ARE, THEY SHOULD NOT COMPLETELY OVERSHADOW THE NEEDS OF OTHER CRIPPLING DISEASES ASSOCIATED WITH AGING WHEN CONSIDERATION IS GIVEN FOR FINANCIAL SUPPORT. WE SHOULD ALSO CONCENTRATE ON LOSS OF IMMUNITY WITH AGING, CRIPPLING OSTEOARTHRITIS, BLINDNESS DUE TO MACULAR DEGENERATION (THE MAJOR CAUSE OF BLINDNESS TODAY) RETINAL DEGENERATION, LOSS OF KIDNEY FUNCTION, INCONTINENCE AND OTHER DISABLING DISEASES. RECENTLY PROGRESS IS BEING MADE IN THE UNDERSTANDING AND PREVENTION OF OSTEOPOROSIS, AND HYPERTENSION, A MULTIPLE CAUSE OF STROKES. SYSTOLIC HYPERTENSION, A CONDITION THOUGHT TO BE RELATIVELY BENIGN COMPARED TO DIASTOLIC HYPERTENSION HAS BEEN FOUND IN RECENT STUDIES TO ALSO HAVE A HIGH RISK OF STROKES AND DEATH. A JOINT STUDY OF THE NIA AND THE NHLBI IS BEING PLANNED TO DETERMINE THE VALIDITY OF THIS IMPORTANT FINDING AND TO DETERMINE THE BEST MEANS OF CONTROLLING IT. THIS SHOULD BE SUPPORTED TO THE DEGREE NEEDED TO ACCOMPLISH ITS AIMS.

TEACHING NURSING HOME: IN FY 1982, THE INSTITUTE RELEASED A PROGRAM ANNOUNCEMENT SOLICITING GRANT APPLICATIONS FOR TEACHING NURSING HOME AWARDS. HOWEVER, THIS PROGRAM HAS NOT RECEIVED THE SUPPORT IT WARRANTS.

MANY OF THE CONDITIONS THAT CAUSE THE ELDERLY TO SPEND LONG PERIODS OF TIME IN LONG TERM CARE INSTITUTIONS ARE NOT SEEN IN ACUTE CARE HOSPITALS UNTIL THE CONDITION HAS PROGRESSED TO THE POINT WHERE REHABILITATION IS DIFFICULT. EXAMPLES INCLUDE SUCH CONDITIONS AS SENILE DEMENTIA, ADVANCED ARTHRITIS, OSTEOPOROSIS WITH MULTIPLE FRACTURES, BLINDNESS DUE TO MACULAR AND RETINAL DEGENERATION, URINARY AND FECAL INCONTINENCE, LOSS OF NEUROLOGIC CONTROL, ETC. THE CONCEPT OF A TEACHING NURSING HOME AWARD WILL PROVIDE A SETTING FOR CLINICAL INVESTIGATION. WHILE CLINICAL RESEARCH MAY USUALLY BE DIRECTED AT ONE DISEASE OR MECHANISM AT A TIME, THE FACT IS THAT MOST ELDERLY PATIENTS HAVE MULTIPLE DISEASES SIMULTANEOUSLY. THIS COMPLICATES, AND MAY CONFUSE THE RESULTS OF RESEARCH, ESPECIALLY THERAPEUTIC STUDIES. EXPERIENCE WITH PATIENTS IN NURSING HOMES WILL BROADEN AND BALANCE THE JUDGEMENT OF YOUNG INVESTIGATORS AND OTHER HEALTH CARE PERSONNEL. LIKE TEACHING HOSPITALS, THE TEACHING NURSING HOMES WILL PROVIDE AN ENVIRONMENT FOR TRAINING FUTURE INVESTIGATORS AND PRIMARY CARE PHYSICIANS IN GERIATRICS. THIS CAN BE CARRIED ON IN A NURSING HOME AT A LOWER COST THAN IN AN ACUTE CARE HOSPITAL.

IN CONCLUSION:- I URGE THAT THIS COMMITTEE AND THE CONGRESS AS A WHOLE GIVE INCREASED SUPPORT TO THE BIOMEDICAL RESEARCH AND THE TRAINING PROGRAMS OF THE NATIONAL INSTITUTE FOR AGING AND ADOPT THE POSITION THAT THE ONLY WAY THE NEW KNOWLEDGE NECESSARY TO REDUCE THE INCIDENCE OF THE DISABILITIES OF OUR AGING POPULATION CAN BE OBTAINED IS BY MEANS OF BASIC AND SOUND CLINICAL BIOMEDICAL RESEARCH - I REEMPHASIZE - THERE IS NO OTHER WAY!

STATEMENT OF GLENN KIRKLAND, PRESIDENT, BALTIMORE/CENTRAL CHAPTER, ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION

My name is Glenn Kirkland and I am President of the Baltimore/ Central Maryland Chapter of the Alzheimer's Disease and Related Disorders Association.

I want to take this opportunity to thank you and the members of this distinguished subcommittee for the interest you have shown in the area of biomedical research. In particular, I want to thank you for your efforts in the battle against Alzheimer's disease.

As you know, Mr. Chairman, Alzheimer's disease has stricken as many as 2.5 million Americans; an estimated 120,000 persons die each year as a result of the disease. Thus far, scientists have been unable to identify the cause of Alzheimer's disease. However, medical researchers have found changes in the brain where there is often an accumulation of abnormal structures called plaques and neurofibrillary tangles. These apparently disrupt passage of signals among brain cells.

Typically, the victims of this disease display symptoms of memory loss, speech impairment, confusion, personality changes, and ultimately lose muscle control. The disease deprives its victims of all mental and neurological functions.

Mr. Chairman, Alzheimer's disease exacts a tremendous toll on our society both in terms of human suffering and economic costs. Estimates are that over $30 billion is spent each year just to meet the long-term care costs associated with Alzheimer's disease; that amount does not include the hidden costs attributed to reduced productivity, lost earning power, and lost tax revenue.

The Public Health Service estimates that Alzheimer's disease affects one person in 20 between the ages of 65 and 75, and every fifth person over 80. These statistics are even more frightening in light of projected increases in the number of people who are coming into the most vulnerable (over age 65) age group. The U.S. Census Bureau now estimates that the number of persons over age 65 will increase 37 percent by the year 2000 and 130 percent by 2025.

So unless its deadly progress is stopped, Mr. Chairman, this silent epidemic could very well become the most serious health problem of the next century.

Recommendation

All of which brings me to recommend that this subcommittee renew its commitment to research on this insidious scourge. Specifically, our Association is urging that $50 million be targeted for research into Alzheimer's disease, and that five additional centers be established (for a total of ten) to carry out research, training, and community education at various locations throughout the country.

Thank you for your consideration of this request, Mr. Chairman.

STATEMENT OF DR. JERROLD M. MICHAEL, DEAN AND PROFESSOR OF PUBLIC HEALTH, UNIVERSITY OF HAWAII

PREPARED STATEMENTS

Senator INOUYE. Our next witness is Dr. Jerrold M. Michael, dean and professor of public health, University of Hawaii.

Dr. Michael, you're always welcome, sir.

Dr. MICHAEL. Thank you, Senator.

I am testifying today on behalf of the 23 schools of public health in our country and also appearing to testify in behalf of the University of Hawaii's School of Public Health and its School of Medicine.

The deans of the school appreciate this opportunty to testify and I personally am delighted at the opportunity to testify with you in the chair, Senator Inouye. We are interested in pointing out the role of schools of public health once more and their special role in promoting health and preventing disease in our country and internationally as well.

My prepared statement will be submitted for the record and I have some hopefully trenchant remarks to make.

[The statements follow:]

STATEMENT OF DR. JERROLD M. MICHAEL

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE, I AM JERROLD MICHAEL, DEAN OF THE UNIVERSITY OF HAWAII'S SCHOOL OF PUBLIC HEALTH AND A PAST PRESIDENT OF THE ASSOCIATION OF SCHOOLS OF PUBLIC HEALTH, ON WHOSE BEHALF I AM APPEARING TODAY. I AM ALSO TESTIFYING ON BEHALF OF THE UNIVERSITY OF HAWAII'S SCHOOLS OF PUBLIC HEALTH AND MEDICINE.

SCHOOLS OF PUBLIC HEALTH--A NATIONAL PUBLIC HEALTH RESOURCE

THE DEANS OF THE 23 U.S. SCHOOLS OF PUBLIC HEALTH APPRECIATE THE OPPORTUNITY TO TESTIFY ON OUR CONCERNS REGARDING FY 1985 FUNDING AND THANK YOU, MR. CHAIRMAN, FOR ALLOWING US THE CHANCE TO CLEARLY POINT OUT THE ROLE OF SCHOOLS OF PUBLIC HEALTH IN PROMOTING HEALTH AND PREVENTING DISEASE IN AMERICA.

I WILL SUMMARIZE MY REMARKS AND REQUEST THAT THE COMPLETE STATEMENT BE INCORPORATED INTO THE HEARING RECORD. (STATEMENT ATTACHED.)

WE URGE THE SUBCOMMITTEE TO CONTINUE FEDERAL INSTITUTIONAL SUPPORT (OR CAPITATION) TO SCHOOLS OF PUBLIC HEALTH. FEDERAL FUNDS RECEIVED BY THE SCHOOLS HAVE LONG BEEN CONSIDERED TO BE THE FEDERAL GOVERNMENT'S SHARE FOR PREPARING MEN AND WOMEN TO MEET THE PUBLIC HEALTH NEEDS OF THIS COUNTRY.

TODAY THERE ARE 23 ACCREDITED SCHOOLS OF PUBLIC HEALTH, 8 AT PRIVATE AND 15 AT PUBLIC UNIVERSITIES. LOCATED IN 17 STATES AND PUERTO RICO, THE SCHOOLS OF PUBLIC HEALTH TRAIN STUDENTS FROM EVERY STATE IN THE NATION. GRADUATES OF THE SCHOOLS OF PUBLIC HEALTH WORK PRIMARILY IN THE PUBLIC SECTOR IN THE AREAS OF HEALTH PROMOTION AND DISEASE PREVENTION. THEIR WORK LOCUS IS AS FOLLOWS: 45 PERCENT OF OUR GRADUATES IN ANY SINGLE YEAR GO INTO FEDERAL, STATE OR LOCAL GOVERNMENT SERVICE, 30 PERCENT WORK FOR EITHER NONPROFIT COMMUNITY HEALTH AGENCIES OR UNIVERSITIES AND 30 PERCENT WORK FOR INDUSTRY AND PROPRIETARY ORGANIZATIONS. THESE GRADUATES, UNLIKE MANY OF THE OTHER HEALTH PROFESSIONS, DO NOT ENJOY LUCRATIVE INCOMES. SINCE NEARLY 75 PERCENT OF THE GRADUATES ARE EMPLOYED BY GOVERNMENTAL AGENCIES AND UNIVERSITIES, THEIR MODEST SALARY LEVELS ARE REFLECTED IN A RECENT SURVEY WHICH SHOWED THE MEAN INCOME FOR ALL 1981 GRADUATES AT $24,500, WITH HALF OF THE GRADUATES MAKING LESS THAN $22,000 (THIS FIGURE INCLUDES PHYSICIANS AND DENTISTS WORKING IN PUBLIC HEALTH).

FUTURE PUBLIC HEALTH MANPOWER NEEDS

WHY DO WE NEED FEDERAL SUPPORT? ACCORDING TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, THERE ARE INSUFFICIENT PUBLIC HEALTH PERSONNEL PREPARED TO COPE WITH ALL THE DEMANDS TO BE PLACED ON THEM IN THE COMING DECADE. NATIONALLY, THERE APPEARS TO BE CRITICAL SHORTAGES OF EPIDEMIOLOGISTS, HEALTH STATISTICIANS, AND

CERTAIN TYPES OF ENVIRONMENTAL HEALTH SPECIALISTS. THE LACK OF NON-INFECTIOUS DISEASE AND BEHAVIORAL EPIDEMIOLOGISTS, TOXICOLOGISTS, RISK ASSESSMENT SPECIALISTS IN THE CHEMICAL AND PHYSICAL AGENT ARENAS, HEALTH CARE FINANCE SPECIALISTS, AND BIOSTATISTICIANS ARE MOST OFTEN CITED.

SCHOOLS OF PUBLIC HEALTH ARE CURRENTLY EXPERIENCING ANOTHER MAJOR CRISIS CAUSED BY A TREND OF REDUCED NUMBER OF PHYSICIANS ENTERING PUBLIC HEALTH. THE DEARTH OF THESE PROFESSIONALS IN THE FIELD OF PUBLIC HEALTH AND PREVENTIVE MEDICINE HAS BEEN DOCUMENTED IN REPORT AFTER REPORT RANGING FROM STUDIES BY THE GRADUATE MEDICAL EDUCATION NATIONAL ADVISORY COMMITTEE TO THOSE OF THE NATIONAL ACADEMY OF SCIENCES. IN SPECIAL CRITICAL SUPPLY ARE PHYSICIANS TRAINED IN PREVENTIVE MEDICINE, EPIDEMIOLOGY, BIOSTATISTICS AND TOXICOLOGY.

GIVEN THESE SHORTAGES, WE ARE DISAPPOINTED TO NOTE THAT THE ADMINISTRATION STILL PROPOSES TO END CAPITATION AND STUDENT SUPPORT TO SCHOOLS OF PUBLIC HEALTH. IT DOES PROPOSE TO PROVIDE LIMITED, NON-AUTHORIZED ($2 MILLION) SUPPORT FOR SPECIAL PROJECTS IN AREAS DESIGNATED AS "NATIONAL PRIORITIES FOR PUBLIC HEALTH". WE SUPPORT THIS PROPOSAL BUT NOT AT THE EXPENSE OF CAPITATION. INDEED, THE SCHOOLS OF PUBLIC HEALTH NEED STABLE BASIC SUPPORT IN ORDER TO MAINTAIN A CORE FACULTY CAPABLE OF RESPONDING TO IDENTIFIED NATIONAL PRIORITIES.

WE ARE ALL PUZZLED AS TO WHY THE ADMINISTRATION WANTS TO END SUPPORT TO OUR SCHOOLS IN LIGHT OF THE SECRETARY'S PRONOUNCEMENTS ABOUT HEALTH PROMOTION AND DISEASE PREVENTION BEING A HIGH PRIORITY IN THE DEPARTMENT.

AS DISCUSSED EARLIER, HHS STAFF REPORTS TO CONGRESS STATE THAT A SHORT SUPPLY OF PUBLIC HEALTH PERSONNEL EXISTS IN OUR NATION. IT IS SURPRISING AND CONFUSING, THEREFORE, FOR THE ADMINISTRATION TO PROPOSE A DRASTIC REDUCTION IN FEDERAL SUPPORT TO SCHOOLS OF PUBLIC HEALTH. GIVEN THE PRESENT STATE OF THE ECONOMY, CERTAIN REDUCTIONS IN FEDERAL SPENDING ARE JUSTIFIED; HOWEVER, TO RECOMMEND CUTS IN PROGRAMS THAT CONTRIBUTE TO KEEPING INDIVIDUALS OUT OF THE MEDICAL CARE SYSTEM DOES NOT MAKE SENSE. COST SAVINGS IN THE HEALTH CARE SYSTEM CAN BE ACHIEVED THROUGH GREATER EMPHASIS (NOT REDUCTIONS) ON PROGRAMS THAT KEEP PEOPLE, FAMILIES, AND INDEED COMMUNITIES HEALTHY.

FEDERAL SUPPORT REQUEST

THEREFORE, WE URGE YOU, MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE, TO APPROPRIATE $7.0 MILLION FOR FY 1985 INSTITUTIONAL SUPPORT TO SCHOOLS OF PUBLIC HEALTH.

WE FURTHER URGE YOU TO APPROVE $3.5 MILLION FOR STUDENT ASSISTANCE OR TRAINEESHIPS.

AGAIN, AS EMPLOYEES OF GOVERNMENT, UNIVERSITIES AND PRIVATE, NONPROFIT HEALTH AGENCIES, THESE GRADUATES RECEIVE MODEST SALARIES IN CONTRAST TO THE HIGH REMUNERATION RECEIVED BY MOST CLINICAL HEALTH PROFESSIONALS. I SHOULD ALSO ADD THAT MANY OF OUR STUDENTS ARE DEPENDENT ON GRADUATE STUDENT LOANS IN ADDITION TO TRAINEESHIP STIPENDS, AND WE URGE SUPPORT OF THAT PROGRAM AS WELL.

FINALLY, MR. CHAIRMAN, WE URGE THE SUBCOMMITTEE TO APPROVE THE ADMINISTRATION'S REQUEST FOR $1 MILLION FOR PREVENTIVE MEDICINE AND PUBLIC HEALTH RESIDENCIES. IF A CHANGE IS TO BE EFFECTED IN THE HEALTH CARE SYSTEM TO BRING ABOUT A GREATER EMPHASIS ON PREVENTION, A CHANGE MUST BE MADE IN THE ATTITUDES AND BEHAVIOR OF THE MEDICAL PROFESSION. THOSE MONIES WILL HELP ACHIEVE THAT END.

IN SUMMARY, PROVIDING BASIC INSTITUTIONAL AND STUDENT SUPPORT IS A MEANS WHEREBY THE FEDERAL GOVERNMENT CAN SHARE THE COSTS WITH STATE AND PRIVATE INSTITUTIONS FOR THE TRAINING OF PUBLIC HEALTH PERSONNEL TO MANAGE AND OPERATE GOVERNMENTAL HEALTH PROGRAMS. SINCE PUBLIC HEALTH IS A PUBLIC RESPONSIBILITY AND SCHOOLS OF PUBLIC HEALTH TRAIN PERSONNEL PRIMARILY FOR THAT PUBLIC SERVICE, THE FEDERAL GOVERNMENT SHOULD CONTINUE TO TAKE A DIRECT ROLE IN ASSURING THAT AN ADEQUATE SUPPLY OF PUBLIC HEALTH PERSONNEL IS PROVIDED IN QUALITY INSTITUTIONS. IN THAT WAY WE CAN ASSIST IN THE COST-EFFECTIVE MANAGEMENT AND OPERATION OF THE PUBLIC HEALTH DELIVERY SYSTEM IN THIS COUNTRY.

UNIVERSITY OF HAWAII AT MANOA, SCHOOLS OF PUBLIC HEALTH AND MEDICINE-- INTERNATIONAL HEALTH ACTIVITIES IN ASIA AND THE PACIFIC BASIN

MR. CHAIRMAN, ON BEHALF OF THE SCHOOLS OF PUBLIC HEALTH AND MEDICINE AT THE UNIVERSITY OF HAWAII, I WOULD LIKE TO REINFORCE AND UPDATE THE TESTIMONY THAT I AND MY DISTINGUISHED COLLEAGUE, DEAN TERENCE ROGERS, MADE BEFORE YOUR COMMITTEE IN HONOLULU ON JANUARY 17TH OF THIS YEAR.

TESTIFYING ON OUR JOINT EFFORT IN THE PACIFIC BASIN, WE COMMENTED ON THE IMPORTANCE OF SPECIAL U.S. SUPPORT FOR THE HEALTH PROGRAMS IN THE SIX U.S.-RELATED TERRITORIES WHERE OUR SCHOOLS ARE CURRENTLY CONDUCTING A FEDERALLY FUNDED ASSESSMENT OF HEALTH AND HEALTH-RELATED PROGRAMS. THOSE JURISDICTIONS ARE GUAM, AMERICAN SAMOA, THE FEDERATED STATES OF MICRONESIA, THE REPUBLIC OF PALAU, THE REPUBLIC OF THE MARSHALL ISLANDS, AND THE COMMONWEALTH OF THE NORTHERN MARIANAS. WE ARE COMPLETING OUR STUDY AND IN AUGUST WILL BE PRESENTING OUR PRELIMINARY FINDINGS TO THE OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH AND THE REGIONAL HEALTH DIRECTOR OF DHHS IN REGION IX, SAN FRANCISCO.

ONE NOW CERTAIN OUTCOME OF THAT EFFORT WILL BE THE NEED TO SEEK SPECIAL FUNDING FOR OUR MEDICAL SCHOOL TO PROVIDE LEADERSHIP AND TRAINING FOR THE REPLACEMENT OF A COHORT OF INDIGENOUS MEDICAL OFFICERS IN THAT TERRITORY.

THE UNIVERSITY OF HAWAII SCHOOL OF PUBLIC HEALTH HAS, FROM ITS INCEPTION IN 1962, CONCENTRATED ITS ACADEMIC INTERESTS ON INTERNATIONAL OR GLOBAL HEALTH PROBLEMS. THIS ORIENTATION REFLECTS THE ASIA AND THE PACIFIC BASIN FOCUS OF THE STATE OF HAWAII AND THE UNIVERSITY OF HAWAII AS A WHOLE. THE SCHOOL'S MISSION ADDRESSES ITSELF TO CULTURAL CONCERNS, AND ITS ACADEMIC, SERVICE, AND RESEARCH OBJECTIVES EMPHASIZE THE APPLICATION OF PUBLIC HEALTH KNOWLEDGE IN INTERNATIONAL AND DOMESTIC SETTINGS WHERE MULTI-ETHNIC AND MULTI-CULTURAL POPULATIONS PREDOMINATE.

OUR SCHOOL OF MEDICINE HAS FROM ITS BEGINNINGS FOCUSED ITS EFFORTS ON A COMMUNITY HEALTH BASE AND HAS COMMITTED ITSELF TO SPECIAL SERVICE TO THAT AREA OF GREAT NEED IN MICRONESIA.

THE SCHOOL OF PUBLIC HEALTH HAS CONTINUED TO FOCUS A SUBSTANTIAL PORTION OF ITS RESOURCES ON STIMULATING AND PARTICIPATING IN THE DEVELOPMENT OF TRAINING PROGRAMS FOR HEALTH PROFESSIONALS WHO ARE CALLED UPON TO COPE REALISTICALLY WITH THEIR OWN COUNTRY'S HEALTH PROBLEMS AND TO EFFECTIVELY UTILIZE THE RESOURCES, METHODOLOGIES, AND APPROPRIATE SOLUTIONS INHERENT IN THEIR OWN CULTURAL, REGIONAL, AND INTERNATIONAL ENVIRONMENTS AND EXPERIENCES. THIS KIND OF EMPHASIS IS EQUALLY RELEVANT TO STUDENTS FROM HAWAII AND OTHER STATES WHO EXPECT TO WORK IN RURAL OR MULTI-CULTURAL AREAS OF THE UNITED STATES.

THE NEED FOR U.S. GOVERNMENT SUPPORT FOR A CONSORTIUM OF ACADEMIC SCHOOLS OF PUBLIC HEALTH IN THE PACIFIC BASIN AND ASIA

A NUMBER OF INSTITUTIONS AND AGENCIES HAVE BECOME INCREASINGLY AWARE THAT THEY WILL NEED TO WORK TOGETHER, SHARE ECONOMIC RESOURCES AND EXPERTISE, AND LOWER THE BARRIERS TO COOPERATION, IF THE WORLD HEALTH ORGANIZATION GOAL OF HEALTH FOR ALL BY THE YEAR 2000 IS TO BE ATTAINED. THIS HAS BEEN PARTICULARLY EVIDENT IN CERTAIN AREAS OF ASIA AND THE PACIFIC BASIN, WHERE COLLABORATIVE EFFORTS IN THE FIELD OF HEALTH PROMOTION AND DISEASE PREVENTION AND CONTROL ARE CURRENTLY UNDERWAY. IT IS IN THE BEST INTERESTS OF THE UNITED STATES TO FOSTER THIS WORK AND THESE RELATIONSHIPS IN ORDER TO ASSURE THE IMPROVEMENT OF HEALTH IN THIS IMPORTANT REGION.

WE AT THE UNIVERSITY OF HAWAII'S SCHOOL OF PUBLIC HEALTH PROPOSE THAT THE CONGRESS OF THE UNITED STATES CONSIDER SUPPORT FOR A CONSORTIUM OF SCHOOLS OF PUBLIC HEALTH DEVOTED TO THE NOTION OF COLLABORATIVE EFFORTS IN HEALTH WHICH WILL FOSTER SELF-SUFFICIENCY AND PROMOTE IMPROVED HEALTH FOR THE CITIZENS OF THE ASIA-PACIFIC AREA.

THE UNIVERSITY OF HAWAII'S SCHOOL OF PUBLIC HEALTH, BECAUSE OF ITS LONG HISTORY OF INTERNATIONAL PROGRAMS AND RELATED ACCOMPLISHMENTS AND ESTABLISHED COLLEGIAL LINKAGES WITH SISTER INSTITUTIONS IN THAT AREA, WOULD LIKE TO SERVE AS A RESOURCE FOR THE U.S. INTERESTS IN THAT MOVEMENT DEVOTED TO THE IMPROVEMENT OF THE

HEALTH OF THOSE ASIAN-PACIFIC POPULATIONS WHILE ALSO DERIVING THE BENEFITS OF NEW KNOWLEDGE WHICH CAN ALSO BE USEFUL TO THE PEOPLE OF OUR COUNTRY--PARTICULARLY THOSE GROUPS WHO ARE LINGUISTICALLY AND CULTURALLY LESS ABLE TO COMPETE FOR LIMITED HEALTH SERVICES.

THE DEANS OF THE SCHOOLS OF PUBLIC HEALTH FROM THAILAND, INDONESIA, THE PEOPLE'S REPUBLIC OF CHINA, SINGAPORE, THE PHILIPPINES, THE UNIVERSITY OF HAWAII, U.C.L.A., AND THE UNIVERSITY OF CALIFORNIA AT BERKELEY MET ON THE ISLAND OF KAUAI IN HAWAII IN JANUARY OF 1984 AND VOLUNTARILY FORMED THE ASIA-PACIFIC ACADEMIC CONSORTIUM FOR PUBLIC HEALTH.

NOW FORMED, THE CONSORTIUM, WITH HEADQUARTERS IN BANGKOK, WILL NEED THE SUPPORT AND ENCOURAGEMENT OF A VARIETY OF U.S. AND FOREIGN GOVERNMENT AND PRIVATE SECTOR GROUPS.

IT IS MY HOPE THAT WE MAY LOOK TO YOU AND YOUR COMMITTEE, SENATOR WEICKER, FOR SUCH UNDERPINNING AND MINIMAL RESOURCES THAT WILL PERMIT THIS MULTINATIONAL, NON-GOVERNMENTAL AGGREGATION OF PUBLIC HEALTH SCHOLARS TO HELP IN ADDRESSING THE HEALTH NEEDS OF OUR PEOPLES WHICH TRANSCEND NATIONAL BOUNDARIES.

PONO MAIKAI -- GOOD HEALTH.

APPENDIX

THE FOLLOWING OUTLINES ASPH REQUESTS FOR 1985 AND BUDGET HISTORY OF PROGRAMS OF PRIMARY CONCERN TO THE SCHOOLS OF PUBLIC HEALTH:

FY 1985 Appropriations (Millions)

	Final FY 1982	Final FY 1983	Final FY 1984	FY 1985 Pres. Requests	FY 1985 ASPH Request
Institutional Support (Capitation)	$4.1	$4.1	$5.0	----	$7.0
Traineeships	$3.0	$2.5	$2.5	----	$4.0
Preventive Medicine Residencies	$0	$1.0	$1.5	$1.0	$2.0
Special Projects	----	----	----	$2.0	

STATEMENT OF THE ASSOCIATION OF SCHOOLS OF PUBLIC HEALTH

I. Institutional Support (Capitation)

The Association of Schools of Public Health (ASPH)* requests $7.0 million in FY 1985 for funds for institutional support grants to the twenty-three Schools of Public Health. Although the present health professions education act (P.L. 97-35) expires September 30, 1984, Congress is expected to re-authorize this legislation before that date.

History

Federal institutional support to the Schools of Public Health one of the oldest federal health manpower training programs. This federal assistance encourages the development of experienced public health professionals. Since federal assistance began in 1956, the number of accredited Schools has doubled from 11 to 23 and the enrollment has increased fivefold (over 9,000 students are expected in 1984-85). Yet the amount of federal institutional support has remained at about the same level ($6 million) since 1975.

Justification

Schools of Public Health are distinct from other health professions schools in a number of ways. They are oriented to the community and prevention rather than the individual and cure. Students who attend the Schools are often mid-career professionals with a prior commitment to public service. The average age is slightly over 30. A large percentage are part-time students already working in the public sector while upgrading their skills. It should be noted that a public health degree does not increase the income potential of the graduate as much as other health professions degrees. Schools of Public Health are in the business of training men and women for public service in the areas of health promotion and disease prevention.

The Schools offer multi-disciplinary training in areas of national shortage and need: biostatistics, epidemiology, health services administration, health education, disease prevention, environmental health, toxicology, occupational safety and health, nutrition and others such as preventive medicine.

Existing health and environmental legislation has created growing manpower needs in public health. The Schools of Public Health are a national manpower training resource for federal and local health and environmental agencies. The demand for public health manpower is expected to increase as Congress continues to enact new programs that improve the quality of life and reduce health care costs. To meet this increasing demand the Schools need additional basic institutional support to maintain and improve the quality of their training programs.

ASPH urges the Administration to support and Congress to appropriate $7.0 million in FY 1985 funds for institutional support to Schools of Public Health. The new amount barely covers total full-time equivalent (FTE) enrollment in FY 1985 (9,000 students at $570 each). Providing support to students and institutions is a means whereby the federal government can share the costs with state and private universities for training professionals to operate federally mandated health programs. Teaching costs per student per year approximate those of medical schools, or about $12,000 a year.

II. Student Support (Traineeships)

ASPH requests $4.0 million in FY 1985 funds for traineeships to students in Schools of Public Health.

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*ASPH is the only national organization representing the Deans, faculty and students of the 23 Schools of Public Health. The Schools represent the primary educational system that trains personnel needed to operate our nation's public health, disease prevention and health promotion programs. ASPH's principal purpose is to promote and improve the education and training of professional public health personnel.

History

Federal assistance to encourage development of experienced public health professionals through traineeship support began in 1956. The traineeship program supports graduate or specialized training of health professional personnel in such key public health fields as biostatistics and epidemiology, environmental and occupational health, dietetics and nutrition, health administration, health planning and health policy analysis, preventive medicine and dentistry. Traineeships are awarded to train students enrolled in Schools of Public Health and other public and non-profit institutions which provide graduate or specialized training in public health.

The program is intended to attract high caliber students and to offer the economically disadvantaged, especially minorities, an entry point into the system. The rising cost of tuition and other expenses will make it even more difficult for low-income students, particularly minorities, to afford graduate education in public health schools.

Furthermore, many undertake graduate study in public health at mid-career and have important family obligations. Others have already accrued heavy debts from their previous education. The graduates, unlike many of the other health professions, do not enjoy lucrative incomes. Nearly 80 percent of the graduates are employed by governmental agencies and universities. Their modest salary levels are reflected in a recent survey which showed the mean income for all 1981 graduates at $24,500 with half of the graduates making less than $22,000 (this figure includes physicians and dentists working in public health).*

Justification

A recent HHS report to Congress (January 1982) and several HHS financed studies indicate that the need for public health professionals could double between 1980 and 2000. The proliferation of health programs and agencies has increased--not decreased--the need for trained people in a variety of public health specialities: administration and planning, environmental and occupational health, nutrition and maternal and child health, biostatistics and epidemiology, preventive medicine and dentistry and others. This was substantiated further by the July 1979 Surgeon General's Report Healthy People. Shortages do exist in some key public health fields. Traineeships are ways to ensure that shortage areas are adequately filled.

ASPH urges the Congress to appropriate $4.0 million in FY 1985 funds for student support in Schools of Public Health.

III. Preventive Medicine and Public Health Residencies (Public Health Physicians

ASPH requests $2.0 million in FY 1985 funds to support residency training for students of preventive medicine and dentistry in Schools of Public Health and medical schools.

Justification

ASPH urges the Committee to appropriate funds that provide support to residencies in public health and preventive medicine. Healthy People underlined the need to increase the supply of professionals in these special practice areas. Also a recent Institute of Medicine report, "A Manpower Policy for Primary Health Care," made a number of recommendations including one to increase the number of residency positions in preventive medicine. The October 1980 GMENAC report also urged support for preventive medicine training saying it was definitely a shortage area in medicine.

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*See Attachment A

ASPH concurs with its sister organizations, the American College of Preventive Medicine and the American Teachers of Preventive Medicine, in their efforts to have Congress recongize the special needs of programs in preventive medicine. They maintain that if a change is to be effected in the health care system to bring about a greater emphasis on prevention and cost containment, a change must be made in the attitudes and behavior of the medical profession. Medical students, and hence physicians, are not trained to understand the potential of prevention. Therefore, residencies are needed to promote an awareness of prevention within the medical profession.

IV. Health Personnel Data and Manpower Projections (Data Collection)

ASPH urges adequate support in FY 1985 for projects to collect, compile and analyze data on health manpower. With the demands being placed on the Schools of Public Health to provide data to the executive and legislative branches of the federal government, it becomes imperative that a centralized system of data collection be continued. Because of the need for authentic data produced in a timely fashion, federal funding is necessary to maintain surveillance on public health manpower production in the Schools of Public Health as well as in the other health professions schools.

V. Special Projects (Faculty Development)

ASPH supports the Administration's FY 1985 request to reinstate public health special projects but not at the expense of institutional and student support. The President's budget includes a legislative proposal to terminate capitation and traineeships and re-institutionalize specific, narrowly focused, categorical special project grants that Congress eliminated in the Reconciliation Act. ASPH would support this proposal if it were accompanied with institutional support funds. Indeed, the Schools of Public Health need stable basic support in order to maintain a core faculty capable of responding to identified priorities. Project grants provide support for the development of training opportunities in public health to meet emerging national priorities for public health manpower competencies. At the same time, ASPH recommends that the following areas be targeted for special project grants:

geriatrics
health promotion/disease prevention
nutrition
alcoholism
toxicology/environmental health
epidemiology of sexually transmitted diseases
health care cost containment
injury due to accidents within and outside the workplace

ASPH supports the Administration's request of $2.0 million in FY 1985 funds for special projects. These funds will provide support for curriculum development that will enable the Schools to stay current with technological and scientific advances in public health and medical fields. ASPH believes that increases for special project grants would provide the basic generic support for improving the quality of curriculum and teaching techniques to provide health promotion and disease prevention as well as health services management activities in the community, state and Nation.

VI. Centers for Health Promotion and Disease Prevention

ASPH requests $5 million in FY 1985 funds to create five Centers for Health Promotion and Disease Prevention to conduct research on ways of promoting health and on improved methods of appraising health hazards and risk factors. The Centers would apply research findings into practice through community-based projects.

Justification

Public health and preventive medicine have had outstanding successes in the past in sanitation, nutrition, immunizations and maternal and child health through the local and state health departments but new approach is required for studies of health behaviors, personal lifestyles and societal and self-imposed risks of stress and methods of coping. The principal attribute of each Center will be its capability to carry out both research and demonstration projects in disease prevention and health promotion. Each would be located in an academic health center with a multidisciplinary faculty and have demonstrated working relationships with other relevant groups in medicine, psychology, nursing, social work, education, business, etc. There would be graduate training programs relevant to disease prevention and research on retrospective and longitudinally prospective bases in population groups and communities in collaboration with local authorities or industrial resources. The core faculty would be especially strong in epidemiology, biostatistics and the social sciences.

In addition to research, each Center, in cooperation with the Centers for Disease Control, is expected to undertake demonstration projects that will translate and apply research findings in the community. Using, as appropriate, community outreach and organization techniques, as well as other methods of educating and motivating groups and communities, each Center will provide health promotion and disease prevention consultative services to defined population groups. Most importantly, each Center must demonstrate the capability of providing technical assistance to public health agencies in the community.

Federal funding of $1 million per year should provide for core faculty and administrative support. This core support should be scheduled for not less than five years per Center. Funding for individual research and other special projects would remain on a competitive basis through the usual channels of peer reviews.

VII. Summary

ASPH urges the Administration and Congress to support our FY 985 requests and initiate programs that complement the Surgeon General's *Healthy People* thesis:

> It is the thesis of this report that further improvements in the health of the American people can and will be achieved--not alone through increased medical care and greater health expenditures--but through a renewed national commitment to efforts designed to prevent disease and to promote heath.

Further, the Administration and Congress should provide support to another finding of *Healthy People*:

> In the field of public health, in contrast to personal health, manpower shortages are believed to exist in some key fields, including occupational health, epidemiology, biostatistics and health services administration.

ASPH believes that continued federal assistance is actually n investment at the front end of the health care system. The Schools (i.e., through their students, graduates, researchers, faculty and community service programs) will not only help prevent illness but will also help slow down the rapidly escalating costs of medical care. Providing basic institutional and student support is a means whereby the federal government can share the costs with state and private institutions for the training of public health personnel to manage and operate governmental health programs. Public health is a public responsibility. Schools of Public Health train personnel for public service. The federal government has a direct interest in assuring that an adequate supply of public health personnel is trained in quality institutions to manage and operate the health delivery system in the national interest.

The following chart outlines ASPH requests for FY 1985 and budget history of programs of primary concern to Schools of Public Health.

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Preventive Medicine Residencies	$ 0	$1.0	$1.5	$1.0	$2.0

The Association's recommendations would provide a means whereby the federal government can share costs with the universities for the training of public health professionals in short supply: epidemiologists, biostatisticians, environmental health workers, preventive medicine physicians, among others.

In summary, public health professionals play a key role in maintaining the nation's health.* They are state and local health officers, toxic-waste managers, specialists in controllling epidemics, directors of immunization programs, organizers of preventive health-care programs for the elderly, health educators, and administrators of health-service agencies, to cite but a few examples. Such professionals are the main reason drinking water is free of infectious agents, food and beverages are safe to consume, and diseases like measles, tetanus and diptheria have been all but eradicated.

Applications of the principles and practice of public health have also had dramatic results in more recent memory. The near elimination of polio in the United States and other industrialized nations, and the worldwide eradication of smallpox are two recent examples of the effect of public health research and practice.

With the control of infectious diseases, the chronic illnesses are now our major causes of death and disability. Heart disease, cancer and stroke are currently responsible for the majority of all deaths in the U.S. Application of approaches unique to public health, proven successful in controlling infectious diseases, are vital in the effort to limit the toll from these chronic ailments.

ATTACHMENT A

ASSOCIATION OF SCHOOLS OF PUBLIC HEALTH

HIGHLIGHTS OF THE DATA ON 1981 GRADUATES

Surveyed in February 1982

Employment

1981
78.1% of the graduates are employed
12.5% of the graduates have continued their education
9.4% of the graduates are unemployed

Type of Employing Organization

43.8% of employed graduates work for tax supported orgnizations such as Federal, State, Regional or Local Government
26.8% of employed graduates work for Voluntary Health Agencies
22.7% of employed graduates work for Proprietary Organizations

Types of Services Which Graduates are Providing

40% of graduates are providing Administrative, Planning or Evaluation Services

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*See Attachment B

34.3%	of graduates are providing Technical Services such as Clinical Laboratory, Social and Environmental Services
14.1%	of graduates are providing Education and Training to others in public health
6.8%	of graduates are prviding Public Health Community Organizational Services
4.7%	of graduates are providing Consultation Services

Earning Levels of Employed Graduates

50%	of employed graduates earn less than $22,000 per year

Financial Assistance During Training

58.7%	of graduates depended on traineeships, scholarships, fellowships, grants, loans or employer subsidation as the primary source of funds for meeting educational expenses

Education Related Indebtedness

60%	of graduates reported some amount of education related indebtedness. The mean indebtedness for all graduates (including those reporting no debt after graduation) was $4,565.

ATTACHMENT B

BLIC HEALTH EDUCATION

Why It Is Critical To Curbing the High Cost of Health Care

Public health professionals are engaged in preventive health-care--stopping disease before it happens--and reducing injury levels. Thus, they are helping to curb inflation in the $322 billion health-care industry. Yet the Administration wants to terminate federal institutional assistance to Schools of Public health that train these professionals.

The reductions would force the nation's Schools of Public Health to turn away many qualified students, and cut support for faculty, especially junior faculty. This would be an extreme instance of false economy. Here are some reasons why:

- Public health professionals play a key role in maintaining the nation's health. They are state and local health officers, toxic-waste managers, specialists in controlling epidemics, directors of immunization programs, organizers of preventive health-care programs for the elderly, health educators, and administrators of health-service agencies, to cite but a few examples.

- Such professionals are the main reason drinking water is free of infectious agents, food and beverages are safe to consume, and diseases like polio, tetanus and diptheria have been all but eradicated.

- Public health specialists are in short supply. A federal task force recently projected a shortfall of 1,750 in the 7,300 doctors specializing in preventive medicine who will be needed by 1990. Other federal studies project shortages of as many as 10,000 health-service administrators by the mid-1980s, as well as deficits in such fields as epidemiology and industrial hygiene.

The economic benefits of preventive health-care programs have been repeatedly demonstrated:

- Measles immunizaton is estimated to be worth 10 times its costs, resulting from avoidance of the roughly 4 million cases and 400 deaths occurring before mass immunizations began in the early 1960s. Other immunization programs, such as those for rubella and polio, are likewise highly cost-effective.

- Programs like the screening of older men for hypertension, and the use of fluoride to combat dental caries have strongly favorable cost-benefit ratios. The Center for Disease

  Control says the $27 million invested by the U.S. in the successful global campaign against smallpox returns that amount in savings roughly every two months, because vaccination programs are no longer needed.

- Common sense suggests many public health measures never analyzed in cost-benefit terms are highly cost-effective. Public health professionals prevented a Venezuelan Equine Encephalitis epidemic in the U.S. in the early 1970s, sparing us the hundreds of thousands of cases, and hundreds of deaths, that occurred in Central and South America. It was a public health professional who blocked approval of the deadly drug thalidomide. More recently, other such professionals have led the successful effort to cut the incidence of toxic-shock syndrome.

- Public health professionals are dealing with the major killers. The mortality rate from cardiovascular diseases dropped 28 percent between 1968 and 1978, meaning more than 300,000 deaths avoided. Changes in diet and lifestyle, many induced by public health education efforts, undoubtedly played a significant role in this reduction.

Despite its cost-effectiveness, prevention is the stepchild of national health policies. Only 4 percent of federal health dollars are spent on it. Yet there is tremendous potential for public health professionals to make further inroads on the high costs of ill health. For example:

- Health of senior citizens--The elderly population is expected to swell from 24 million, or 11 percent of the total to 50 million, or 17 percent, over the next 50 years. Right now, it is estimated at least 25 percent of the elderly have conditions that require regular health-care services. New preventive efforts tohelp the elderly lead healthy lives are badly needed, or the demand on health-care services will drive inflation in the health-care industry to yet higher levels.

- Toxic wastes--Experience has shown that failing to deal effectively with toxic wastes can exact a high cost. The chemical wastes dumped at Love Canal could have been safely disposed of for about $4 million. To date, more than $100 million has been spent to clean up the site, and relocate residents. Public health professionals are needed both to manage the disposal and to allay public fears that the problem is not being brought under control.

- Chronic disease prevention--Comparisons with other industrialized countries show great potential for cutting U.S. death and illness rates for many diseases through prevention. It has been estimated that a minimum of 39 percent of deaths from major cardiovascular diseases 25 percent of deaths from cancer and 17 percent of deaths from respiratory diseases could be avoided with improved prevention. These percentages will rise as researchers discover new screening techniques and early treatment methods.

To deal with these and other growing health concerns will require more trained professionals. Not only will the reductions rule that out, they may force large numbers of the 7,000 students currently enrolled in public health schools to drop out. Most of these students, including the minority who are M.D.s, tend to enter public service. Thus, they cannot borrow heavily against high future earnings, as can M.D. candidates who plan to enter private practice. Neither the states nor the private sector can be expected to make up the federal contribution.

Dr. MICHAEL. We urge the subcommittee to continue Federal institutional support for schools of public health, commonly known as capitation. The funds received have long been considered to be the Federal Government's share of preparing men and women to meet public health needs of our country.

Twenty-three schools of public health, as you well know, Senator Inouye, are located in 17 States, one of which is Hawaii, and in Puerto Rico; and they train students from every State in our Union and, of course, from a great number of foreign countries.

Graduates of our school work primarily in the public sector although they also work in the private sector. In any year, our graduates distribute 45 percent going into Federal, State or local government service; 30 percent nonprofit community health agencies or universities; and 30 percent in industry or proprietary institutions.

They don't enjoy the lucrative incomes that you discussed when you made your most outstanding remarks at the University of Hawaii 2 weeks ago. I'm talking about incomes of some health providers.

Nearly 75 percent of the graduates are employed by Government agencies and universities at modest salaries reflected in a recent survey which showed that looking at 1981 graduates the mean income is $24,500 with half of the graduates making less than $22,000. That does include physicians and dentists working in public health. So that figure is really very modest.

The question is often asked: Why do we need Federal support? Well, according to testimony presented yesterday by Dr. Graham of the Department of Health and Human Services there are insufficient public health personnel prepared to cope with the demands placed on them in the coming decade, and it's critical. Some of those categories are indeed critical; epidemiologists, health statisticians, certain types of environmental health specialists.

Of course, the schools train a wide gamut of specialty people much beyond those areas of critical need.

Now, the schools are currently experiencing another major crisis caused by a trend of reduced numbers of physicians who are entering this field of public health. The figures I've given you on income give at least some indication of why that's true.

The dirth of those professionals in the field of public health and preventive medicine has been documented in report after report both made by the Government and by external agencies. Again, for the critical supply of physicians it's those trained in preventive medicine, epidemiology, biostatistics, and toxicology.

In view of all those shortages we are, as a group of schools, disappointed to note that the administration still proposes to end capitation and student support, while it does propose to provide a limited nonauthorized $2 million for special projects. We support, of course, special projects, but not at the expense of capitation.

Indeed, the schools need stable support in order to maintain a core faculty capable of responding to all these identified national priorities.

So we're puzzled. I am puzzled why the administration wants to end support to our schools in light of the Secretary's pronouncements, given even yesteday, about shortages and about the priority for health promotion and disease prevention pointed out as a priority, Senator, for the entire Department.

So we urge you and Senator Weicker and other colleagues to appropriate $7 million for fiscal 1985 institutional support to schools of public health and urge you to approve $3.5 million for student assistance or traineeships.

Finally, Senator, we urge you to approve the administration's request for money in preventive medicine at a level of $2 million.

Now, Senator, some remarks for the University of Hawaii specifically. I would like to reinforce and update the testimony that I and my distinguished colleague, Dean Terrance Rogers of the school of medicine, made before this committee in Honolulu January 17.

Testifying on our joint effort in the Pacific Basin we commented on the importance of special U.S. support for health programs in the six U.S.-related territories where our schools are currently conducted a federally funded assessment of health. We will have that assessment ready and should make that presentation in preliminary fashion in August, and we'll be prepared, sir, to talk about the assistance of the university, in fact many of the State agencies in the future.

Finally, and in conclusion, Senator, a number of institutions and agencies have become aware that we need to work with our foreign colleagues and work with them strongly not only to improve health, to address the issues of health for all by the year 2000, but to support the national effort in establishing relationships with foreign countries for a variety of reasons.

In order to assist in that effort, in January of this year on Kauai we established the Academic Consortium of Asian-Pacific Schools of Public Health. The University of Hawaii is one of those schools. The others are in Thailand, Indonesia, People's Republic of China, Singapore, the Philippines, the University of California at Los Angeles, and California at Berkeley.

Now formed, that consortium has its headquarters in Bangkok and will need the support and encouragement of a variety of agencies, including the Federal Government, in order to make that an effective working instrument for health.

We hope we can look to your committee and your personal support, Senator, to underpin that consortium so that we can help in assisting and addressing the health needs of the people which transcend and go beyond national boundaries.

I end with Pono Mai Kai, which I don't have to describe to you, Senator; but for the non-Hawaiians here, good health. Thank you, sir.

Senator INOUYE. I thank you very much. The committee will be submitting a few questions, if we may, for your response.

Dr. MICHAEL. Thank you very much, Senator.

Senator INOUYE. Thank you for your testimony Dr. Michael. Please tell us in more detail why the schools of public health need Federal support?

Dr. MICHAEL. Mr. Chairman, Congress is expected to continue enacting laws to improve the quality of life and reduce health costs. This will increase the demand for competent health manpower. The schools of public health are an efficient means of meeting this demand for health manpower.

Senator INOUYE. What is the national demand for public health professionals?

Dr. MICHAEL. According to the administration's testimony before the House Health and Environment Subcommittee yesterday, there are insufficient public health people prepared to cope with all the demands to be placed on them in the next 10 years. We need more epidemiologists, biostatisticians, and environmental health specialists. We lack an adequate supply of noninfectious disease and behavioral epidemiologists, toxicologists, risk assessment specialists, and health care finance people. We also need more nutritionists, health educators, and nurses to work with the old, the young, and the handicapped.

Senator INOUYE. Where do your graduates work, Dr. Michael?

Dr. MICHAEL. Senator, our graduates have and continue to work overwhelmingly in the public and voluntary sector. In fact, over 80 percent of them work for Federal, State, and local health agencies, hospitals, nonprofit volunteer health organizations, and universities. And 20 percent of the graduates work as industrial hygenists, preventive medicine physicians, environmental toxicologists, occupational safety and health specialists for private industry.

Senator INOUYE. Dr. Michael, are the schools of public health responding to national health priorities and initiatives?

Dr. MICHAEL. We believe so, Mr. Chairman. The increasing demand for efficient, cost-effective, and accessible health services and the growing awareness of environmental health hazards has significantly altered the traditional mission of the schools. Today the schools are graduating professionals with competencies for assuming responsibility for the running, planning, management, and coordination of health care delivery programs including health planning agencies, prepaid group practices, and organizations for evaluating the quality of health services. Environmental health sciences to identify and control health hazards in the environment such as air and water pollution are being addressed by the schools. We believe that the schools of public health have responded positively and effectively to Federal initiatives relating to the management of health care delivery systems and the environment.

Senator INOUYE. Let's talk about the Asia-Pacific Consortium for Public Health. What is its mission and what level of U.S. support are your seeking?

Dr. MICHAEL. First, Mr. Chairman, the Asia-Pacific Academic Consortium for Public Health was chartered by representatives of the public health academic communities and ministries of health of the nations of

Thailand, Indonesia, Singapore, the Philippines, the People's Republic of China, and the U.S. School of Public Health at the University of Hawaii on January 25, 1984. It is an independent nonprofit corporation formed to organize and support collaboration among these academic institutions. These institutions, which share a similar concern for the values accruing from professional linkage, are concerned with the elevation of health status of the citizens of each of their countries to the highest possible level. There are a host of anticipated academic, research, and service projects which will be on the immediate list of operations for the consortium, including the development of a Joint Multinational Academic Program in primary health care, management, and cost containment for developing nations, rural health care development, and primary health care evaluation.

Mr. Chairman, we believe that the U.S. contribution should be set at $625,000 annually. We expect other participating nations to contribute their fair share. In short, the consortium would create an infrastructure in the Pacific Basin for us to achieve the international health goals of this country.

Senator INOUYE. One more question, Dr. Michael. What is your school of public health doing in this area now and what are your plans for the future?

Dr. MICHAEL. Mr. Chairman, we at the University of Hawaii School of Public Health are one of the few schools of public health with a department of international health. It emphasizes the practice of public health from a global perspective. The major objective of this worldwide recognized department is the development of health workers who will be involved in public health practice in cross-cultural settings. Furthermore, the school itself is deeply involved with the U.S. Public Health Service in international health assessment and global epidemiology in the Pacific Basin and with the USAID in a long-term family planning support activity for Asia. The University of Hawaii also serves as a link with the western schools of public health at the University of California at Los Angeles and Berkeley. This access to those schools, already formed into a U.S. consortium for the health professions, will further extend the technical resources available to the Asia-pacific Academic Consortium for Public Health. We eventually hope to have an international center for health promotion and disease prevention in our school.

STATEMENT OF SISTER MICHELLE RANDALL, D.C., MEMBER, DAUGHTERS OF CHARITY, AND REPRESENTATIVE, WESTERN HANSEN'S DISEASE INSTITUTE

PREPARED STATEMENT

Senator INOUYE. Our next witness is Sister Michelle Randall, member of the Daughters of Charity and representative of Western Hansen's Disease Institute. Sister Michelle, welcome.

Sister RANDALL. Thank you.

[The statement follows:]

STATEMENT OF SISTER MICHELLE RANDALL

INTRODUCTION

Senator Weicker and distinguished committee members, it is an honor to address you today on behalf of the Western Hansen's Disease Institute and to present testimony in favor of continued support for the activities of the National Hansen's Disease Center at Carville. This is the first time that the Western Hansen's Disease Institute has presented testimony before this committee. We have requested this opportunity to address you as a nongovernmental body concerned with Hansen's Disease, also called leprosy.

Specifically, I will speak not only in favor of the needs for continued funding of the National Center, but also for the general advocacy needs of Hansen's Disease patients, not only in the United States, but internationally.

SUBCOMMITTEE CONTRIBUTION

I would like to begin with a statement of sincere appreciation to this committee for your role in serving health needs, not only of Hansen's Disease patients, but of all United States citizens. Under the able chairmanship of Senator Weicker, this committee has made dramatic contributions to the health status of our country. Among other contributions:

* The committee approved an increase in health professions education for FY 1984 in order to "improve the quality of life for the elderly, chronically ill or the disabled", which would include Hansen's Disease patients.
* Your FY 1984 appropriations bill supports biomedical research by inclusion of over $4.3 billion for the National Institutes of Health - a 12 percent increase over FY 1983. The mission of the National Institutes of Health is to combat and prevent the major killing and disabling diseases of our time - and that includes Hansen's Disease.
* Your committee recommended $367 million for FY 1984 in support of the Centers for Disease Control (CDC), the Federal agency with primary responsibility for disease prevention in the United States. Its programs combat Hansen's Disease, among others.
* In FY 1984 your committee supported Hansen's Disease care in the United States by approving $18.2 million for the National Hansen's Disease

Center at Carville and the Regional centers providing care to Hansen's Disease patients.

THE ROLE OF THE NATIONAL HANSEN'S DISEASE CENTER

We must also acknowledge with deep appreciation the outstanding work done by the National Hansen's Disease Center at Carville, Louisiana. They have taken a clear role of leadership in providing for the care of Hansen's Disease patients in the United States, in conducting research into those factors relating to Hansen's Disease, and in serving as a training center for health care providers serving both here and in those nations throughout the world where Hansen's Disease remains a major public health problem. The proposed budget for the National Hansen's Disease Center of approximately $18.5 million will not only serve the needs of Hansen's Disease patients in this country, but will enhance the critical diplomatic role of the United States in improving the health status of citizens of the world.

Since the closure of United States Public Health Service hospitals in 1981, the National Hansen's Disease Center has provided innovative care for Hansen's Disease patients of the United States. Through contracts with hospitals and physicians they have established regional Hansen's Disease centers in the areas where Hansen's Disease patients are numerous. It is advantageous for patients to receive care in their home areas, so that their family life and jobs are disrupted as little as possible. The National Center not only supervises, but supports these regional centers through provision of training opportunities and materials, technical assistance, and research support.

The National Center demonstrates a unique combination of research and care, which is most impressive. The special capabilities of staff, consultants, and Hansen's Disease patients are utilized to address a wide spectrum of issues relating to Hansen's Disease. Many innovative contributions to solving problems relating to Hansen's Disease have broader implications, such as to the fields of diabetes and to other peripheral neuropathies. United States researchers have been in the forefront of Hansen's Disease research - contributing to almost all the major breakthroughs with the exception of the discovery of the bacillus by Armauer Hansen. They have been instrumental in the dramatic change for patients due to the initiation of modern chemotherapy, the discovery that the disease organisms could multiply in mouse footpads, and the discovery of the development of progressive leprosy-like disease in laboratory innoculated armadillos. This exciting discovery has enabled the availability of viable disease organisms to laboratories around the world actively engaged in seeking ways to combat Hansen's Disease, such as a combination drug therapy, serological test for early diagnosis, and development of a vaccine, which might prevent susceptible humans from getting the disease.

It might be added that a major problem affecting the National Hansen's Disease Center research potential is the ceiling imposed on temporary personnel. The Center readily attracts outside grants and contracts due to the excellence of its research staff, but needs greater flexibility in adding temporary research and contract positions to expend these funds. The National Center has expressed the need that either this type of research be ceiling exempt, or that sufficient positions be added to the Center in order that it may reach its full research potential.

Another primary function of the National Hansen's Disease Center at Carville is to promote an increased level of awareness and understanding among members of the medical profession regarding current concepts in the diagnosis and treatment of Hansen's Disease. Accordingly, the Center sponsors medical seminars on Hansen's Disease at no cost to participants with limited financial means. Further, they have made available training and educational material in Hansen's Disease, including an audio-visual loan program, in which instructional materials produced for use at the National Center may be loaned to other medical and educational institutions for teaching purposes. To serve the needs of medical and allied health personnel planning to work with Hansen's Disease abroad, the Center in partnership with American Leprosy Mission, Inc. plans and conducts a seminar series to present the latest information concerning diagnosis, treatment, management, and control of Hansen's Disease.

I would commend your use of good judgement, not only in your continued support of these important activities, but also in strengthening underfunded areas. It must be remembered that as the Hansen's Disease patient population in the United States has steadily increased, more regional centers have been established. Thus, the responsibility of the National Center has increased greatly; but its budget, which now includes the cost of the regional centers, has increased little. Although the total number of patients at the Center may be expected to gradually decrease with time, the workload will not decrease due to the increasing priority its research and training efforts should receive. It must be the first priority of this committee to maintain the capability of the National Hansen's Disease Center, so that it can advise, train, and supervise the regional contractors providing care in the United States. The patient care, training, and research capabilities of the National Hansen's Disease Center are unequalled in the world today.

Support for the programs of the National Hansen's Disease Center at Carville and resultant improvement in health status has implications, not only to Hansen's Disease patients in the United States and its possessions, but also in the critical area of United States international diplomacy. Hansen's Disease has importance on a worldwide basis, where it affects over 10 million people and causes perhaps more physical and emotional disability than any other disease. Health providers look to the United States for collaboration and assistance to eliminate Hansen's Disease. And from a United States perspective, it must be remembered that the disease can never be truly controlled in the United States unless it is controlled on a worldwide basis through the provision of research and training to those countries in which the disease is endemic and from which over 95 percent of our patients originate.

It is my sincere hope that we may look to this committee for the support necessary to address the health needs of Hansen's Disease patients, which transcend national boundaries. The United States can be proud of the National Hansen's Disease Center, which has received international recognition for the work of its men and women who have dedicated their lives and careers to the fight against Hansen's Disease. They must be provided the resources - both funds and the ability to hire necessary personnel - to continue this important work.

ADVOCACY ROLE OF THE WESTERN HANSEN'S DISEASE INSTITUTE

I speak on behalf of the Western Hansen's Disease Institute in support of a Hansen's Disease patient constituency which does not take a strong advocacy role and never has, because they wish to remain invisible. There are approximately 5,000 Hansen's Disease patients in the United States today. The number of cases in the United States has increased 300 percent in the last ten years, largely through immigration. About one thousand patients reside in California alone.

Hansen's Disease is a socioeconomic disease, which affects the physical, emotional, and economic well-being of millions. It is estimated that there are at least as many Hansen's Disease cases in the world today as there were 30 years ago when the advent of dapsone therapy was expected to eliminate Hansen's Disease from the world. The incidence of Hansen's Disease is expected to increase worldwide as a consequence of an emerging problem of drug resistance. These discouraging facts point out an urgent need for concentrated action. There is no cause for fear, but the control of Hansen's Disease has been and will continue to be a formidable challenge.

The Daughters of Charity have had a long history of serving Hansen's Disease sufferers, which began in 1896 with their selfless and devoted service to patients at the "leprosarium" in Carville, which continues until today. In order to take another step in meeting this challenge, we sponsored the establishment of the Western Hansen's Disease Institute. This non-profit corporation was organized for the purpose of promoting collaborative research and service that will maximize the contributions of individuals and organizations concerned with Hansen's Disease in the Western United States, as well as in those countries in which Hansen's Disease is a public health problem. The Institute is made up of health care providers in both the public and private sector, researchers, members of the Daughters of Charity, and patients from the states of California, Washington, Colorado, and Hawaii. Our mission is the control and ultimate elimination of Hansen's Disease through similar dedicated work as that which eliminated smallpox as a major problem facing humankind.

This is the first time that the Western Hansen's Disease Institute has had the opportunity to give Congressional testimony in support of Hansen's

Disease advocacy issues. I hope that we will continue to have the opportunity to foster an awareness of the importance of Hansen's Disease research and treatment, as well as to support the outstanding work of our colleagues at the National Hansen's Disease Center at Carville.

Hansen's Disease patients have special needs, not only because of their physical and mental suffering, but also because of the discrimination of society against them. The fear of this disease was so strong in ancient China, that its victims were burned or buried alive so that they wouldn't pass on their disease to others. In Medieval Europe a person who was diagnosed as having Hansen's Disease was declared dead in a special "lepers mass". Persecution, compulsory segregation, and deprivation of human rights have all marked the history of Hansen's Disease victims. During the years when the strategy of Hansen's Disease control was the compulsory segregation of patients in leprosaria to prevent the spread of the disease, millions of patients were imprisoned throughout the world. Husbands and wives were separated; children of Hansen's Disease patients were often taken from them to be adopted and never seen again; and those patients who were diagnosed as children were cruelly separated from their families. Unfortunately, the fear and stigma of society to Hansen's Disease patients continues today.

You on this committee, as well as we in the Western Hansen's Disease Institute, have a unique opportunity to contribute to the eradication of Hansen's Disease through the allocation of sufficient resources to the National Hansen's Center at Carville and through your support of advocacy issues relating to Hansen's Disease and its patients. These needs are clearly expressed in the words of Bernard Punikaia, Chairman of the Kalaupapa Patients' Council and Board Member of the Western Hansen's Disease Institute:

"They must realize we have minds, we think, we love, we hate, we cry, you know...we rejoice. We have all the emotions and intellect of any person in society. And as such, to recognize that we are human, and thus extend to us the dignity that we are entitled to. It's not that we are granted dignity. Hey, this is something that everyone is born with. This is inherent in man's life, that he be accorded dignity. Not because he is some high official, a government figure who automatically acquires dignity, but because he is a person."

Sister RANDALL. Senator Inouye, and distinguished committee members, it is an honor to address you today on behalf of the Western Hansen's Disease Institute and to present testimony in favor of your continued support for the National Hansen's Disease Center at Carville.

We have requested this opportunity to present testimony for the first time as a nongovernmental body concerned with Hansen's disease, also called leprosy. I speak to you as a member of the sponsoring Daughters of Charity whose service to Hansen's disease patients at the national center spans almost 100 years.

Specifically, I will speak not only in favor of the need for continual funding of the national center, but also for the general efficacy needs of Hansen's disease patients not only in the United States but internationally.

The National Hansen's Disease Institute has taken a clear role of leadership in providing for the care of Hansen's disease patients in the United States by establishing regional Hansen's disease centers where patients can receive care near their homes; by conducting research into factors relating to Hansen's disease; and in serving as a training center for health care providers serving both here and in those nations throughout the world where Hansen's disease remains a public health problem.

The proposed budget of the national center of approximately $18.5 million will not only serve the needs of Hansen's disease patients in this country, but will enhance the critical diplomatic role of the United States in providing the health status of citizens of the world.

I speak on behalf of the Western Hansen's Disease Institute in support of a Hansen's disease patient constituency, which does not take a strong advocacy role and never has because the desire to remain invisible. However, there are approximately 5,000 Hansen's disease patients in the United States today, an increase of 300 percent in the last 10 years largely due to immigration.

It is estimated that there are as many cases in the world today as there were 30 years ago when the advent of dapsone therapy was expected to eliminate Hansen's disease from the world. There is no cause for fear, but the control of Hansen's disease has been and will continue to be a formidable challenge.

The Western Hansen's Disease Institute was sponsored by the Daughters of Charity in order to meet this challenge by promoting collaborative research and service that will maximize the contributions of individuals and organizations concerned with Hansen's disease in the Western United States as well as in those countries in which Hansen's disease is a public health problem.

The institute is made up of health care providers, researchers, members of the Daughters of Charity, and patients from the States of California, Washington, Colorado, and Hawaii.

Our mission is the control and ultimate elimination of Hansen's disease through similar dedicated work as that which eliminated smallpox as a major health problem facing mankind. Hansen's disease patients have special needs, not only because of their physical and mental suffering, but also because of the discrimination of society against them.

You on this committee as well as we in the Western Hansen's Disease Institute have a unique opportunity to contribute to the eradication of Hansen's disease through the allocation of sufficient resources to the national center and through your support of advocacy needs relating to Hansen's disease and its patients.

These needs are clearly expressed in the words of Bernard Punikaia, board director of the Western Hansen's Disease Institute, and I quote:

> They must realize we have minds, we think, we love, we hate, we cry," you know, "we rejoice. We have all the emotions and intellect of any person in society.
>
> And as such, to recognize that we are human, and thus extend to us the dignity that we are entitled to. It's not that we are granted dignity. * * * this is something that everyone is born with. This is inherent in man's life, that he be accorded dignity. Not because he is some high official, a Government figure who automatically acquires dignity, but because he is a person.

I thank you for your time.

Senator INOUYE. Thank you very much, Sister Michelle, As you may know, Chairman Weicker and I traveled to Kalaupapa a few weeks ago and there we met with Bernard. I can assure you of the chairman's support.

Sister RANDALL. Thank you very much.

Senator INOUYE. Thank you very much.

STATEMENT OF DR. LEON JACOBS, CHAIRMAN OF THE BOARD AND PRESIDENT, GORGAS MEMORIAL INSTITUTE

PREPARED STATEMENT

Senator INOUYE. Our next witness is Dr. Leon Jacobs, chairman of the board and president of Gorgas Memorial Institute. Welcome.

Dr. JACOBS. Senator Inouye, thank you for the time given me for this presentation.

[The statement follows:]

STATEMENT OF DR. LEON JACOBS

Thank you for the time given me for this presentation.

I am Leon Jacobs, Chairman of the Board of Directors of the Gorgas Memorial Institute. My curriculum vitae is attached to my written statement.

My purpose today is to request, for the Gorgas Memorial Institute and Laboratory, the sum of $2,000,000 (two million dollars) for fiscal year 1985. This figure represents an increase of $101,000 (one hundred one thousand dollars) over the administration request for $1,899,000 (one million eight hundred ninety-nine thousand dollars) contained in the FY 1985 budget of the Fogarty International Center. Two million dollars is the total amount authorized by the Congress under the provisions of P.L. 70-350, as amended.

The Gorgas Memorial Institute and its Laboratory in Panama are still extant today mainly because of your wisdom and the wisdom of the Congress. We survived a very trying period, and we have a considerable task ahead of us to achieve stability and to effect changes recommended in the reports of the studies you requested by the General Accounting Office and the Office of Technology Assessment. We have already informed you of various steps we are taking in response to the reports, and will keep you informed of progress and of new efforts.

Mr. Chairman, in your hearing on the appropriation request of the Fogarty International Center (FIC) on April 4, you commented to Dr. Craig K. Wallace, the new FIC Director, that the main problem that Gorgas appears to face is money. Here again you hit the nail right on the head!

A plan to reduce operating expenses at the Gorgas Memorial Laboratory early in fiscal year 1983 was thwarted by our inability to effect a reduction in force soon enough to avert paying salaries for most of the year and, in addition, separation benefits that we were required to pay under Panamanian labor laws. Those benefits totalled about $350,000. The termination of some contracts and grants at the end of FY 1982 or early in FY 1983, and the results of inflation, increased our operating deficit. This was the situation I found when I took office as President and Chairman of the Board in March, 1983.

The only reason that Gorgas survived until the end of FY 1983 was a loan from the Social Security of Panama. This loan is for $500,000 and is payable in 10 semi-annual payments of $50,000 each starting in November 1985. Interest is being paid semi-annually until that time and will be calculated on the remaining principal of the loan as it is being amortized thereafter.

GML is still incurring expenses related to the move of all of its activities to its main building in Panama City. It has not yet been possible to vacate all of Building 265 in Ancon because of delays in preparation of air-conditioned space on the third floor of the research building in Panama. We anticipate that we will have an over-run in our expenses in FY 1984 and that we will have to draw on our meager Endowment Fund reserves. However, in subsequent years we should be operating within our budget and paying off our debt. Our ability to meet this goal will be greatly enhanced if the U. S. contribution is raised to its full authorization of $2,000,000 (two million dollars).

Mr. Chairman, we have responded to the Senate Appropriations Committee report No. 98-247, which affects GMI/GML and to a critique by OTA of our response. In regard to the recommendation that we seek a broader financial base of support, I can tell you now that we have just selected a fund-raising organization to aid us in that objective. We are going to invest sorely needed money in this enterprise. Therefore, we request your continued patience and the additional help that the increment of $101,000 (one hundred one thousand dollars) will give us.

It is important at this time for me to make it clear, Mr. Chairman, that our request for the additional $101,000(one hundred one thousand dollars) is presented with the idea that this amount be added to the amount requested by the Fogarty International Center. We have too much respect for the activities of FIC to want to compete with their other programs, which we consider highly desirable for the entire field of biomedical research. It was pointed out by Mr. Ripley, Secretary of the Smithsonian Institution, in a letter addressed to you on the funding of GMI/GML, that the U. S. contribution to GMI/GML represents non-discretionary funds appropriated to NIH; the will of Congress is that they be used for Gorgas. I similarly emphasized that while NIH could and should advise Congress on appropriations for Gorgas, the funds should be considered as earmarked for that institution. The converse of this argument is that funding of GMI should not be at the expense of FIC.

To supplement further the information in our earlier responses, I wish to acquaint the Subcommittee with one more new development. GMI Board Members have met in Washington, D.C. with representatives of the University of Alabama at Birmingham and we have agreed to enter into a formal relationship with that institution. A Steering Committee has been set up to prepare a Memorandum of Understanding and we anticipate that the formalities will be completed within a relatively brief period of time. Staff members at GML are enthusiastic.

You can see that we are taking the recommendations of OTA and GAO seriously and are acting on them.

Thank you very much.

CURRICULUM VITAE

Name: Leon Jacobs

Address and Telephone Number:

Home: 3705 Morrison Street, N.W.
Washington, D.C. 20015

Phone: 202/966-2674

Date and Place of Birth:

March 26, 1915
Brooklyn, New York

Educational Background:

Boys High School Brooklyn, New York		1927-1931
Brooklyn College Brooklyn, New York	B.A.	1931-1935
George Washington University Washington, D.C.	M.A.	1936-1938
George Washington University Washington, D.C.	Ph.D.	1939-1943 1946-1947
Tissue Culture Course, Mary Imogene Bassett Hospital, Cooperstown, New York		7/49-9/49
Course in Virology, U.S. Department of Agriculture Graduate School, Washington, D.C.		1949
Course in Ophthalmic Pathology, Armed Forces Institute of Pathology, Washington, D.C.		2/9-13/53
Course in Pathology, U.S. Department of Agriculture Graduate School, Washington, D.C.		1953
Course in Veterinary Pathology, Armed Forces Institute of Pathology, Washington, D.C.		1959

Professional Experience:

Junior Nematologist to Protozoologist, Division of Zoology, NIH	1937-1943

United States Army	1943-1946
Protozoologist to Scientist Director, NIAID, NIH	1946-1956
Head, Section of Protozoal Diseases, Laboratory of Tropical Diseases, NIAID, NIH	1956-1959
Chief, Laboratory of Parasitic Diseases, NIAID, NIH	1959-1964
Acting Scientific Director, NIAID, NIH	1964-1965
Scientific Director, DBS, NIH	1966-1967
Deputy Assistant Secretary for Science, DHEW	1967-1969
Assistant Director for Collaborative Research, NIH	1969-1972
Associate Director for Collaborative Research, NIH	1972-1978
Director, Fogarty International Center, NIH	1978-1979
Visiting Prof. of Microbiology, University of Arizona Medical School	1979- 1981
Visiting Prof. of Microbiology, University of So. Florida Medical School	1980- 1982
President and Chairman of the Board, Gorgas Memorial Institute	1983-
Scientific Director ('81-'82) and Scientific Consultant, National Society for Medical Research, Washington, D.C.	1981-

Membership in Scientific Societies:

American Society of Tropical Medicine and Hygiene	
Editor, Tropical Medicine News	1952-1955
Representative to National Research Council	1957-1961
Council	1964-1968
Vice-President	1970
American Society of Parasitologists	
Editor, Journal of Parasitology	1955-1958
Chairman, Committee on Business Operations	1959-1960
Council	1963-1966
President	1978
American Association of Immunologists	
Helminthological Society of Washington	
President	1950
Tropical Medicine Society of Washington	
President	1971-
Society of Protozoologists	
American Association for the Advancement of Science	
Sigma Xi	
New York Academy of Sciences	

Research Interests:

Cultivation, epidemiology, and pathogenicity of parasitic protozoa; immunology and serology of protozoan and helminthic infections. Particularly interested in toxoplasmosis (life cycle and epidemiology, immunity, diagnostic procedures, ocular and other clinical manifestations and serology.)

Professional Publications:

Bibliography attached.

Other Activities:

Lectures at Johns Hopkins University School of Hygiene and Public Health	1956-1968
Lectures at Georgetown University Medical School	1965-1968
Lectures and laboratory teaching of parasitology at Western Reserve University Medical School	1954-1958
Representative of the American Society of Tropical Medicine and Hygiene to the National Research Council	1957-1961
Consultant, Committee on Uveitis, American Academy of Ophthalmology and Otolaryngology	1957-1958
Chairman, Committee on Cooperative Publication, Conference of Biological Editors	1958-1960
Director and member of Executive Committee, Gorgas Memorial Institute	1969-1979
Chairman, Toxoplasmosis Sessions, 7th International Congresses on Tropical Medicine and Malaria	1963
Member, Executive Committee, Commissioned Officers Association of the U.S. Public Health Service	til 6/65
Member, WHO Expert Panel on Parasitic Diseases	
Chairman, Panel on Parasitic Diseases, U.S.-Japan Cooperative Medical Science Program	1965-1970
Member, Microbiology Subcommittee, Safe Drinking Water Committee, National Academy of Sciences	1976-1977
Chairman, Subcommittee on Research, U.S.-Egypt Joint Health Working Group	1977-1979
President and Chairman of the Board, Gorgas Memorial Institute, Washington, D.C.	1983-

Honors and Awards:

Army Commendation Ribbon	1945
Past President, Helminthological Society of Washington	
Biological Sciences Award of the Washington Academy of Sciences	1954
Arthur S. Flemming Award of the Junior Chamber of Commerce	1954
Brooklyn College Distinguished Alumnus Award	1955

Barnett Cohen Award, Maryland Society of Bacteriologists	1956
Fulbright Research Scholarship	1960-1961
Guggenheim Fellowship	1960-1961
Council, American Society of Parasitologists	1963-1966
Henry Baldwin Ward Medal of the American Society of Parasitologists	1963
George Washington University Alumni Achievement Award	1967
Distinguished Service Medal, USPHS	1966
Superior Service Award, DHEW	1968
President, American Society of Parasitologists	1978

Dr. Jacobs. I am Leon Jacobs, chairman of the board of directors of the Gorgas Memorial Institute. My curriculum vitae is attached to the statement.

My purpose today is to request for the Gorgas Memorial Institute and Laboratory the sum of $2 million for fiscal year 1985. This figure represents an increase of $101,000 over the administration request of $1.899 million contained in the fiscal year 1985 budget of the Fogarty International Center.

Two million dollars is the total amount authorized by the Congress under the provisions of Public Law 70-350, as amended. The Gorgas Memorial Institute and its laboratory in Panama are still extant today mainly because of the wisdom of this committee and of the Congress.

We survived a very trying period and we have a considerable task ahead to achieve stability and to effect changes recommended in the reports of the studies you requested by the General Accounting Office and the Office of Technology Assessment. We have already informed the committee of various steps we are taking in response to the report and will continue to keep you informed.

Mr. Chairman, in Senator Weicker's hearing on the appropriation request of the Fogarty International Center on April 4, he commented to Dr. Craig Wallace, the new FIC Director, that the main program that Gorgas appears to face is money. He hit the nail right on the head.

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The termination of some grants and contracts at the end of fiscal year 1982 or early in fiscal year 1983 and the results of inflation increased our operation deficit. This was the situation I found when I took office as president and chairman of the board in March 1983.

The only reason that Gorgas survived until the end of fiscal year

1983 was a loan from the social security of Panama. This loan is for $500,000 and it's payable in 10 semiannual payments of $50,000 each starting in November 1985. Interest is being paid semiannually until that time and will be calculated on the remaining principal of the loan as it is being amortized thereafter.

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We anticipate that we will have an overrun in our expenses in fiscal 1984 and that we will have to draw on our meager endowment fund reserves. However, in subsequent years we should be operating within our budget and paying off our debt.

Our ability to meet this goal will be greatly enhanced if the U.S. contribution is raised to its full authorization of $2 million.

Mr. Chairman, we have responded to the Senate Appropriation Committee report, No. 98–247, which affects GMI/GML, and to a critique by OTA of our response. In regard to the recommendation that we seek a broad financial base of support, I can tell you now that we have just selected a fundraising organization to aid in that objective.

We are going to invest sorely needed money in this enterprise. Therefore, we request your continued patience and the additional help that the increment of $101,000 will give us.

It is important at this point for me to make it clear, Mr. Chairman, that our request for the additional $101,000 is presented with the idea that this amount be added to the amount requested by the Fogarty International Center. We have too much respect for the activities of Fogarty to want to compete with their other programs which we consider highly desirable for the entire field of biomedical research.

It was pointed out by Mr. Ripley, Secretary of the Smithsonian Institution, in a letter addressed to you on the funding of GMI/GML last fiscal year that the U.S. contribution to GMI/GML represents nondiscretionary funds appropriated to NIH. The will of the Congress is that they be used for Gorgas.

I similarly emphasize that while NIH could and should advise Congress on appropriations for Gorgas, the funds should be considered as earmarked for that institution if they are, indeed, appropriated for it. The converse of this argument is that funding of GMI should not be at the expense of FIC.

To supplement further the information in our earlier responses, I wish to acquaint the subcommittee with one more new development. GMI board members have met in Washington, DC, with representatives of the University of Alabama at Birmingham and we have agreed to enter into a formal relationship with that institution.

A steering committee has been set up to prepare a memorandum of understanding and we anticipate that the formalities will be completed within a relatively brief period of time. Staff members at the Gorgas Memorial Laboratory are enthusiastic.

You can see that we are taking the recommendations of OTA and GAO seriously and are acting on them. Thank you very much.

Senator INOUYE. Thank you very much, Dr. Jacobs.

STATEMENT OF DR. ROBERT M. ROSENZWEIG, PRESIDENT OF THE ASSOCIATION OF AMERICAN UNIVERSITIES, REPRESENTING ITS JOINT COMMITTEE ON HEALTH POLICY, AND THE AMERICAN COUNCIL ON EDUCATION AND THE NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND GRANT COLLEGES

PREPARED STATEMENT

Senator INOUYE. Our next witness is Dr. Robert M. Rosenzweig, president of the Association of American Universities.

Dr. ROSENZWEIG. Thank you, Mr. Chairman.

Senator INOUYE. Doctor.

[The statement follows:]

STATEMENT OF DR. ROBERT M. ROSENWEIG

Mr. Chairman and Members of the Subcommittee, my name is Robert Rosenzweig. I am President of the Association of American Universities and appear before you today on behalf of the Joint Committee on Health Policy, comprising my association, the American Council on Education, and the National Association of State Universities and Land-Grant Colleges. We appreciate the opportunity to you for this opportunity to testify on the Administration's proposed FY'85 budget for the National Institutes of Health and the Alcohol, Drug Abuse and Mental Health Administration.

All three Associations endorse the proposal of the Ad Hoc Group for Medical Research. This coalition represents the broad consensus of the biomedical research community and the voluntary health sector: an agreement that federal support for this research is essential to world health and to this nation's preeminence in health advances, research, disease prevention, and biotechnology.

The proposal includes a number of priorities for federal funding and sets forth the biomedical research community's views of the President's budget requests for FY'85. It also lays out recommendations for increases in funding over the President's request for both NIH and ADAMHA. The proposals of the Group have been endorsed by scores of associations and societies representing individual scientists, science research institutes, and institutions of higher education.

The Administration's budget requests for FY'85, if accepted, would reduce severely the number of approved projects at NIH and ADAMHA, call for cuts in direct costs for almost all grants, reduce the amount of science scholars could perform, reduce the number of research trainees, almost eliminate clinical trials, ignore the serious situation of deteriorating research facilities and shortfalls in scientific instrumentation and equipment, and reduce personnel at NIH and ADAMHA.

Specifically, Ad Hoc Group's proposal calls for an additional $18 million to fund research grants to a priority score of 185. Even this level would fund only 37% of approved research grant applications.

In addition, we urge funding research projects at the levels recommended by study sections. This would cost an additional $138 million and put an end to the annual process of cutting each project by a certain percentage. (We recognize that adjustments of 2% to 3% may frequently be entirely appropriate adminis-tratively on individual grants; our concern is with the recent policies of across-the-board cuts to provide additional funds to award more partially funded grants.) The recent practice is unfair to scientists and their institutions, and detrimental to the conduct of research.

Reductions from study section recommended levels of funding give the scientists two options. Occasionally the scope of the project can be reduced and with it the cost. More frequently, the nature of the project requires the funds recommended by the study section, and the home institution has to find computer time or laboratory assistants by paying for them out of funds intended to be used for purchasing new equipment, repairing facilities, or conducting other business relevant to the biomedical research activity at the institution. Across the board cuts will save no money for the conduct of science, they merely penalize the best scientists and their colleagues. Such cuts also inexorably increase indirect costs.

A third priority lies in expanding research career awards. In recent years the number of young clinicians entering research careers has declined, undermining the future potential of the research enterprise. The proposal includes an additional $14 million to encourage young clinicians to enter into research careers. In addition, the proposal requests $64 million to support the number of trainees recommended by the National Academy of Sciences, with some increase in stipend levels.

Last year, funds were available to begin 19 clinical trials. The Administration's FY'85 budget would begin only one new trial in FY'85. We seek also to increase bio-technology programs and to improve facilities for laboratory animals, all within this single category. This part of the proposal would require an increase of $32 million.

The BRSG program is an essential research support mechanism that has never been supported at its authorized levels. The concern and support for better funding is agreed upon throughout the entire community because the program is so important to both research and the support of new researchers. This program provides funds to buy a small piece of equipment needed to allow research to begin or continue in a given project. It provides the support for a new and highly promising new scientist who is several years away from support by NIH. In general, it fills in some of the inevitable gaps of a national research program.

For years OMB had sought to eliminate the program entirely, only to find a Congress aware of the significance of the program and determined to restore funds. We now ask that these funds be enhanced. In the same category, we seek funds to enlarge the shared instrumentation program.

We also ask an additional $20 million increase in research facility construction. We ask this sum primarily because authorities for facilities programs have run out and existing authorities in three of the institutes allow only for a $100 million expenditure.

All those engaged in biomedical research are aware of the current dismal state of research facilities. It becomes increasingly difficult to conduct first rate science in decaying facilities with obsolete or unavailable equipment. The problem is enormous--and, at this time, there are no definitive assessments of the amounts needed to rebuild the research infrastructure. We are aware of a proposed interagency study that may go forward in the near future, which will provide the Committee with the necessary data on the state of research facilities.

Nevertheless, before the results of this study confirm and quantify the situation, we believe it is important to begin in FY'85 a modest program for research facilities. The Associations I represent today believe that research facilities support must be subject to the same scientific scrutiny as research funding. Even a small program will help relieve the pressure on institutions and on Members of Congress to circumvent these procedures in order to deal with the pressing problems of decaying research facilities.

Our concern for funding at ADAMHA follows a similar pattern to that of NIH on a smaller scale. The FY'84 ADAMHA appropriation was $356 million. We seek an increase of 16%, for a total of $414 million. This request is only $41 million above the President's budget request. For ADAMHA an aditional $13 million would fund 43% of approved research grant applications to be funded. Eight million dollars more would fund research projects at levels recommended by study sections. A $3 million increase would expand the research science awards emphasizing clinical researchers.

We ask $8 million more for the research trainee program to allow for a total of 13,000 trainees with slightly increased stipends. An additional $3 million would preclude the elimination of positions in the intramural program. An additional $3 million is requested for research centers, cooperative agreements and contracts and, finally, a $4 million increase is sought for the other direct operations and program functions involved in the research program.

It is worth noting that these increases in both agencies, while adding up to substantial dollars, are comparable to the percentage increases in many other research oriented federal agencies such as NSF, DOD, and EPA.

One gauge of the real funding for health research is a percentage of total U.S. health spending. In 1966 the ratio was almost 3%; it has slipped since then to a level of approximately 1.5% in 1982. This is ironic insofar as health research can well be the basis for helping to reduce the nations's medical bills.

I have highlighted only a few of the points in the Ad Hoc Group's proposal. I urge you to consider the proposal in its entirety with the recognition that it represents the consensus of over one hundred groups, societies, and associations.

As a final point, let me return reluctantly to the issue of indirect costs. We are extremely grateful that the Administration has responded to the requests of this Committee and is seeking resolution of controversies over indirect costs in a more rational, government-wide manner, and not through arbitrary single agency proposals to cut reimbursement. As the President's Science Advisor, Dr. George Keyworth, suggested at the FY'85 OSTP briefing, the issues are complex; until they are well understood, "solutions" are premature; and continued ability of the nation's universities to conduct research is essential to the nation's security and must not be jeopardized by premature or ill-conceived solutions.

The Committee is aware of a recently released GAO report on indirect costs. The GAO examined practices used by HHS in determining indirect costs rates; and made no effort to conduct an independent review of those rates; nor did it bring into the study the practices of other agencies. Yet, without an independent analysis of university and other federal agency practices, the GAO concluded that university rates are unreliable. We do not agree, as the report concludes, that inadequate auditing and negotiating justify the recommendation to reduce reimbursement by fixing components of the indirect cost rate. Nevertheless, we welcome the opportunity presented by the report and by OSTP to discuss the issues and to seek reasonable solutions. We appreciate all the efforts of this Committee to bring this difficult issue to a setting where rational solutions are achievable. To this end, we have begun, and will continue to participate in, discussion with OSTP staff on the issue of federal support for research and the appropriate arrangement for reimbursement of indirect cost.

I thank you for this opportunity to appear before you today, and will be pleased to answer any questions.

Dr. Rosenzweig. I appreciate the opportunity to appear here this morning on behalf of the Joint Committee on Health Policy of the Association of American Universities, the American Council on Education, and the National Association of State Universities and Land Grant Colleges. I have submitted a statement in writing for the record and I want to use my few minutes this morning to emphasize some of the points.

Attached to the formal statement is the proposal of the ad hoc group for medical research for fiscal year 1985 funding for NIH and ADAMHA. All three of the associations for which I appear in coalition with over 100 other groups support that proposal.

We believe it accurately reflects the funding needs and opportunities for biomedical research. The proposal includes funds for research at full cost, adequate numbers of traineeships as that was defined by the National Academy of Sciences, funding for additional clinical trials, and support for equipment, instrumentation, and facilities essential to the research effort.

We appreciate your help in preventing arbitrary and unilateral reductions in indirect cost payments to universities. We're grateful for the committee's response and I'm pleased to be able to say that as a consequence we are beginning to work closely with the Office of Science and Technology Policy on a broadly based inquiry into the subject of indirect cost recovery in the context of the capacity of scientific institutions, including universities, to host scientific work of the highest quality.

I hope that out of that work we can develop a framework for discussion in which the subject will be the requirements for productive science rather than how to impose a limit on one or another piece of the whole package.

We are aware of the recent GAO report on Department of Health and Human Services' audit procedures of indirect costs. It appears to us that while the report focused on the shortcomings in DHHS' audits, the recommendations call for a change in the way in which indirect costs are reimbursed.

Though we question those conclusions, nevertheless we're anxious to work with the administration to seek rational Government-wide solutions to continued concerns over the costs of research.

Now, Mr. Chairman, although the fiscal year 1984 appropriation resolved part of the research cost issue I regret to say there is yet another effort going forward in some part of NIH to impose arbitrary limits on research costs. In this case what is at issue is not indirect costs, but the direct costs of research.

In certain institutes it is now the policy to reduce the direct costs of approved projects by 4 percent below study section recommended levels. The purpose is to fund larger numbers of grants.

It's important to recognize that the distinction between direct and indirect costs of research is not real. It is an artifact of the difficulty of attributing certain common costs to individual activities in an institution.

In reviewing projects, study sections carefully limit the costs of research to those which they believe are necessary to conduct the research. Institutions are then reimbursed after the fact for the actual costs of conducting that research.

Further cuts in direct costs driven by the desire to fund more grants do not reduce costs, they only cause shifts in categories.

Mr. Chairman, this is a shortsighted and self-defeating policy. It will produce research of lower quality by starving everyone a little bit more. And it will have the paradoxical but inevitable effect of raising the indirect cost rate.

This is because a reduction of several percentage points per project does not produce a lessening in the institutional costs of supporting research. It simply lowers the direct cost base on which indirect costs are computer, thereby increasing the rate.

The goal of sound science policy should be to encourage as much high quality science as possible; not to support the largest possible number of individual research projects.

Finally, Mr. Chairman, I want to call to the committee's attention the pressing need to get about the job of rebuilding the capital structure of university-based science. We badly need funds for the renovation of old research facilities and the construction of new ones, and the deficiencies of existing outmoded research equipment are by now so well documented that nothing remains but to get on with doing the job of reequipping our laboratories.

The proposal that the ad hoc committee has made to this committee describes how that might be started in fiscal year 1985. Thank you, Mr. Chairman.

Senator INOUYE. Thank you very much, Doctor.

STATEMENT OF DR. BETTIE SUE MASTERS, PROFESSOR AND CHAIRMAN, DEPARTMENT OF BIOCHEMISTRY, MEDICAL COLLEGE OF WISCONSIN

PREPARED STATEMENT

Senator INOUYE. Our next witness is Dr. Betty Sue Masters, professor and chairman of the Department of Biochemistry at Medical College of Wisconsin.

Dr. Masters?

Dr. MASTERS. Thank you, Senator Inouye. I want to thank the committee for allowing me this privilege of spending a few minutes this morning with you to discuss the subject of supportive research training through the National Institutes of Health.

[The statement follows:]

STATEMENT OF DR. BETTIE SUE MASTERS

As a member of the scientific community, I am pleased and privileged to present testimony on behalf of the National Institute of General Medical Sciences (NIGMS) of the National Institutes of Health for the continued and generous support of its programs. As scientists, who feel the excitement of research which drives our dedication to it, we have assumed too often that the importance of our work and its benefits to society are self-evident. I welcome this opportunity to present the case for enhanced stability and increased funding for the vital programs of NIGMS.

Before beginning my testimony, I would like to introduce myself at the risk of revealing that I am an interested party in the outcome of the budgetary issues which you must resolve. In June, 1982, I moved from the University of Texas Health Science Center at Dallas, where I had progressed through the academic ranks to Full Professor, to the Medical College of Wisconsin to assume the position of Professor and Chairman of the Department of Biochemistry. The Medical College of Wisconsin, located in Milwaukee, is one of two medical schools in Wisconsin, receives capitation funds from the state for 56% of its class, and is a private, free-standing institution. It is also involved in teaching graduate students in seven basic science disciplines. Since 1978, fourteen investigator-generated research grants have been or are being funded by NIGMS at the Medical College of Wisconsin, including my own. As an academic scientist, I have been continuously funded by NIH since 1970, but I have experienced the ever-increasing frustration and futility of my efforts and those of my colleagues in maintaining an adequate funding level for productive research. I will be speaking from my experiences as a former member of the NIGMS Pharmacological Sciences Review Committee, as an _ad hoc_ reviewer for the Division of Research Grants, the National Heart, Lung and Blood Institute, and the NIGMS for site visits to such institutions as the Massachusetts Institute of Technology, University of California at San Francisco, University of Michigan, and Johns Hopkins

University, and now as Chairman of the Board of Scientific Counselors, National Institute of Environmental Health Sciences. I am a member of a number of scientific societies, including the American Society of Biological Chemists, American Society for Pharmacology and Experimental Therapeutics, and American Chemical Society, having served elected positions in several of them. My students, post-doctoral fellows, and I have all benefitted through the years from the training opportunities made possible through the National Institutes of Health. I would not be in my present capacity were it not for the USPHS predoctoral training program at Duke University which made my graduate training possible in the Department of Biochemistry, then chaired by the late Dr. Philip Handler. Finally, through programs sponsored by the Japan Society for Promotion of Science and the Chinese Academy of Sciences of the People's Republic of China, I have spent periods of time abroad performing research, presenting seminars, and attending symposia on topics of mutual interest. From this perspective, I wish to address the problems of funding of basic biomedical research in the United States.

It is important for us as biomedical scientists to make our plight known because the signals being sent from various sources come to diametrically opposed conclusions. For example, in a table (Table I, photocopied below) appearing in Science (Vol. 223, March 16, 1984) from a compilation by the National Science Foundation, it would appear that federal funding for non-defense research and development has decreased 30% in the period 1980-1984. A similar table (Table II, photocopied below) from an article by G.A. Keyworth, Science Advisor to the President and Director of the Office of Science and Technology Policy, also published in Science (Vol. 224, April 6, 1984) indicates a 55% increase in the period 1981-1985 for all federally-funded basic research with a 46% increase in support for the life sciences. As an informed member of the research community, I am compelled to state that the figures in Table II have not been corrected for inflation so that they do not represent constant dollars.

TABLE I

The National Science Foundation compilation* of federal R & D funding for fiscal years 1980 through 1984 by budget function, corrected for inflation with official deflators (fiscal 1984 is set at 100), reveals the following in billions of constant dollars.

Category	Fiscal year budget					Increase 1980–1984 (%)
	1980	1981	1982	1983	1984	
Total R & D	$39.0	$39.2	$39.6	$40.4	$45.7	17
National defense	$19.4	$21.7	$24.2	$26.2	$32.0	65
All other R & D	$19.6	$17.5	$15.4	$14.2	$13.7	−30

TABLE II

Category	Fiscal year budgets (billions of dollars)					Change (%)	
	1981	1982	1983	1984	1985	1984–1985	1981–1985
Total federal R & D	$35.0	$37.6	$39.5	$46.7	$53.1	14	52
Total defense R & D	$16.5	$20.9	$23.2	$28.1	$34.2	22	107
Basic research							
Total	$ 5.1	$ 5.4	$ 6.4	$ 7.2	$ 7.9	10	55
Agencies supporting life sciences	$ 2.4	$ 2.4	$ 3.0	$ 3.3	$ 3.5	5	46
Agencies supporting physical sciences and engineering	$ 2.7	$ 3.0	$ 3.4	$ 3.9	$ 4.4	14	63

In fact, we are being expected to maintain our preeminence in medical research throughout the world by maintaining (in constant dollars) the same level of support provided in 1974 and by severely curtailing the support of training of young scientists through the National Institutes of Health programs. In the remarks to follow, I wish to address the problem of training in biomedical research and the necessity for increasing the number of trainees and the amount of support per trainee. It should be obvious that training cannot occur in a vacuum and, therefore, requires the continuation of stable and adequate funding for research projects. I will address the problem of adequate funding for basic biomedical research projects in separate written testimony.

According to the NIH Data Book for 1983, the total NIH support for training, in the form of individual and institutional awards combined, decreased by $2.2 million between 1972 and 1982 with the zenith being reached in 1974 when support increased from $157.6 million to $186.5 million. In 1982, the National Institute of General Medical Sciences supported 30% of the total training supported by NIH ($155.4 million), twice that supported by any other component institute. Its mission in this area is unquestionable. In 1982, NIGMS supported 3679 of the total of 10,406 predoctoral and postdoctoral trainees of the National Institutes of Health, but this represented a 22% decrease in the number of trainees supported by NIGMS compared to the 1976 level. These numbers obviously refute any claims that support for training and research in the basic medical sciences has increased in any way and, on the contrary, confirm the contention that constant dollar support has shrunken dramatically during this period.

This contrasts sharply with the stated priorities (G.A. Keyworth (1984) Science, 224, 9-13), "Without hesitation I would assign the highest priority to stimulating and nurturing technical talent. During the past several years I have heard from hundreds of our nation's industrial and university leaders, and almost to a person they echo that priority." The plain truth is that these priorities have not been translated into financial support. My appearance before this august body is, on behalf of the biomedical research community, to make you aware that the technological advancements relating to human health and welfare in the United States depends to a large measure on the continuing symbiotic relationship established between the NIH and the nation's universities. It is unquestionable that in the four decades since the enabling legislation by Congress for the establishment of NIH, biomedical research in this country has emerged as second to none.

The alarm that many of us feel has forced us from our laboratories and teaching endeavors to speak out for the preservation of this preeminence. We have seen the erosion of biomedical research as a chosen profession for those seeking post-graduate education. The most alarming decrease has been noted in the ranks of the physician-scientist who seeks a career in academic medicine. Since much of the biomedical research directly related to human disease performed in the nation's medical schools, it is frightening to realize that this has become a lower priority career goal among our youth.

At the University of Texas Health Science Center at Dallas and at the Medical College of Wisconsin, , I have had the privilege of directing the Medical Scientist Training Program (MSTP), which is designed for students who have an interest in clinical medicine, as well as in research in the biomedical sciences. This training culminates in the achievement of both the M.D. and Ph.D. degrees and has established an outstanding track record in producing successful biomedical scientists as judged from publication records and ability to compete for peer-reviewed research grant support (On the Status of Medical School Faculty and Clinical Research Manpower, 1968-1990, NIH Program Evaluation Report (1981), U.S. Department of Health and Human Services, pp. 177-193). The Medical Scientist Training Program has been and continues to be one of the most successful projects of the NIGMS in the realm of training activity. It has attracted the most outstanding of students interested in careers in biomedical research and academic medicine and deserves the highest priority by NIGMS and the Congress through increased training support. These students bring the vitality of youth and the freshness of questioning minds to our laboratories and clinics. The frontiers of medicine are continually advanced by the efforts of these young investigators, first, in our laboratories as they are being trained and, later, in their own independent laboratories.

I hope that you will demonstrate your support for increased funding for the National Institutes of General Medical Sciences as the major training arm of the National Institutes of Health. This investment in the training of our youth today will reap enormous benefits for this nation's health and well-being tomorrow.

Dr. MASTERS. Of course, we all know that I'm appearing here as an interested party since I am a product of the foremost biomedical enterprise in the world. I'm very proud of that, but I'm also very concerned about the preservation of this preeminence.

I will refer you to my written testimony for details of my educational and training background and experience as an educator and biomedical scientist.

As I indicated in that testimony, it is important, I think, to present the realities of research support for biomedical research in constant dollars. Dr. James B. Wyngaarden, Director of NIH, has presented figures on total NIH appropriations over the past 11 years which echo the difference between those current dollars, which say there's a 165-percent increase, and the constant dollars, which reflect a real 17-percent increase over that period of time.

Dr. Harry Hardiman, the current president of the Federation of American Societies for Experimental Biology, who has testified to you this morning, puts these numbers in more human terms and that's what I prefer to do. He says that each of the biomedical scientists involved in research has received an average of 12 years of university training to qualify for an entry level position in our biomedical research enterprise. That's in academia, industry or the Government.

Dr. Wyngaarden has stated that training and research programs are so closely interwoven as to be practically indivisible, and I agree with that.

So I would like to emphasize that the application of scientific advances to maintain good health and to prevent and treat disease is ultimately the responsibility of the physician. The trained clinical investigator is the critical link.

I want to mention something that Dr. Robert Massey mentioned this morning, but I think his statistics were even less striking that the real ones. That is that approximately one-half as many physicians are seeking research training today as did in 1970.

I mentioned in my written testimony as well that the President's science advisor, George Keyworth, has assigned the highest priority to stimulating and nurturing technical talent. As one who has been involved in the training of medical graduate and combined M.D./Ph.D. students for many years, I'm deeply concerned that so many of our finest students are not seeking biomedical research as a career.

The attraction to this choice of professions has been diminished by the apparent lack of concern at the national level.

The National Institutes of General Medical Sciences, one of the divisions of NIH, has provided approximately one-third of all NIH support for research training, two-thirds of that going toward NIH predoctoral support; and this is aimed toward multidisciplinary training. The Medical Scientists Training Program trains students in a combined M.D./Ph.D. program specifically to become biomedical researchers for academic medicine.

Now, I don't have to remind this group that medical research has provided a number of breakthroughs. I'd like to mention just a few of those and I will draw it to a close.

Increased survival rate of childhood cancer has gone from 5 percent to 57 percent between 1962 and 1982. The genetic mechanism responsible for the cancer process, the ocogene theory, has been propelled forward.

Lidium treatment for manic depressive psychosis has been developed. Death rate from coronary heart disease has been decreased by 30 percent since 1970.

We've spawned more than 100 new companies in the biotechnology industry and there has been a link, then, with an infectious agent known as Creon to Alzheimer's disease. This is to mention only a few.

These efforts must be continued to be supported and encouraged by stable support and generous funding through the National Institutes of Health and by continuous support for the young investigators, who I'm afraid are turning away, from whom we can insure our preeminent biomedical enterprise of a source of fresh and probing minds.

Specific recommendations would be to support Dr. Wyngaarden's proposals for 10,500 trainees; his suggestion that we increase the stipend level for these trainees to that now proposed and supported by the National Science Foundation, $8,100 per trainee; and an increase in the number of funded investigator-initiator grants which he says would require an additional $300 to $400 million over the next 3 years.

Thank you very much.

Senator Inouye. Thank you.

What is the average income of a medical research person?

Dr. Masters. Sir, I don't have those numbers at my fingertips this morning. I'll be glad to research that a bit. I'd rather do that than to shoot it off.

Obviously, the biomedical researcher in the academic sphere earns a lot less than the private physician in the community. Those individuals, of course, do not carry out research as a normal function.

Senator Inouye. Thank you very much.

Dr. Masters. Thank you.

STATEMENT OF THEODORE VAN ZELST, PRESIDENT, MINNAN, INC.

PREPARED STATEMENT

Senator Inouye. Our next witness is Theodore Ven Zelst of Minaan, Inc. Welcome, sir.

[The statement follows:]

STATEMENT OF THEODORE VAN ZELST

Mr. Chairman, my name is Theodore W. Van Zelst. I am president of Minann, Inc., a charitable foundation which expends its efforts on educational and medical matters.

I am here today to explain our experiences in researching and aiding victims of a relatively unknown disease, Chronic Active Epstein Barr Virus (CEBV). This disease affects many people in the USA, and probably affects thousands of others undiagnosed because so little medical research has been directed to solving the problems of diagnosis and cure. At present, there is no known treatment or cure, or even any ability to lessen the constant pain of this illness. Very few doctors are aware of the chronic active form of the Epstein Barr virus, are unaware of the blood test which may make diagnosis possible, and therefore diagnosis is "by exclusion" requiring patients to undergo difficult and often dangerous medical tests which could be unnecessary if CEBV were better known.

Through this testimony we hope to give an awareness of the need for research funding on Chronic Active Epstein Barr Virus, and, thus appeal to this Subcommittee to specify funds for CEBV research in the appropriations for medical expenditures in the 1985 fiscal year.

The very small research effort on CEBV has been reduced in recent years as funds have been transferred to the study of herpes and AIDS, problems which have received strong media coverage. We have been in contact with some of the CEBV victims and have learned of their concern about the lack of continuing research. We have become aware of the present despair and lack of hope for the victims of this illness which is characterized by cyclical high fevers, continuous and unrelieved severe headache, malaise, extreme fatigue and neurological difficulties. The symptoms are worsened by any form of physical activity.

Through patients we have learned of doctors and researchers who have worked on research or who have patients diagnosed with CEBV. To gather a knowledge of what is being done in research (if any), we sent a questionnaire to doctors who had some identification with this illness. We received an exceptional 82% response, with many lengthy letters and support information. This data is being used as the base of our comments at this Hearing. We have also received commentary from numerous patients who are afflicted with this disease.

The doctors have supplied information regarding proposed research activities on Chronic Active Epstein Barr Virus and the approximate funding that would be required to carry out this research. Based on this information, we suggest that the Subcommittee include in the budget for medical research on CEBV:

$12,000,000

Research in auto-immune and viral disorders of the CEBV type may serve to unlock many other perplexing medical enigmas, including a wide spectrum of other viral diseases. It is only through the knowledge and activities of a relatively few doctors and one self-help support group that some CEBV patients are now receiving proper diagnosis. For this reason we are assisting efforts to obtain attention from Congress to designate funds for specific research in identification, treatment and cure of Chronic Active Epstein Barr Virus which affects so many of our citizens, and which because of its unknown viral nature, may be affecting many more now and in the future.

We have records, including correspondence with the doctors and research centers, and their full discussions which will be made available to this Subcommittee if it is desired. The limitations of space did not allow us to include these materials in the report now being presented.

Thank you for allowing us the time to present these comments on behalf of the many people who are afflicted with Chronic Active Epstein Barr Virus, a debilitating illness. Action by Congress is the only way that research funding will be available in the coming year, to give an air of hope to the victims of this difficult disease.

NEEDS OF RESEARCH: EXCERPTS FROM COMMENTS OF DOCTORS

"Our current studies on EBV utilize molecular techniques for studying the biological mechanisms involved in latent and persistent infection. The development of Epstein-Barr virus gene transfer systems have given rise to newly characterized viral antigens which have great potential for investigating the relationship between antibody to these antigens and chronic active EBV infection.

"Unfortunately, annual NIH funding of our program has been reduced sharply during the past several years. Return to the funding originally approved by the review committee of our grant would restore our capability to pursue the promising leads which have emerged in our CEBV research. There should be additional financial support for at least 8-10 laboratories engaged in this research throughout the USA"

"While we know that cases of CEBV exist, we do not know whether we deal with one entity of varying degrees of severity, or two different conditions. We also do not know the frequency of these cases in relation to total number of patients with infectious mononucleosis. A study is needed which would be best set up in the frame of student health services at large universities where a sufficicent number of cases of infectious mononucleosis occur annually for valid follow-up studies.

"At the same time it is essential to exclude other infectious agents as possible causes of the persistent illness; e.g. cytomegalo, hepatitis and other viruses, toxoplasma gondii, etc. This will require access to a competent sophisticated laboratory service.

"It is likely the CEBV is due to a defect in cell-mediated immunity. Therefore, it is important to determine the cellular immunocompetence of CEBV patients and the leukocyte subpopulation(s) affected. There may be means to restore their funtion.

"There are reports the CEBV might respond favorably to Acyclovir. To obtain valid data, an appropriately controlled study is required to assess the effectiveness and safety of the drug.

"We are still not certain of the mechanism(s) involved in CEBV. An understanding of the pathogenesis of infectious mononucleosis should pinpoint the defect encountered in the chronic disease.

"The most rational approach for research would be to augment the funds of laboratories already engaged in the study of infectious mononucleosis, being set up to perform one or more of the needed procedures. Collaboration should be encouraged between different laboratories to bring together the various disciplines needed. We would be willing to supply the EBV specific serological test procedures."

DIFFICULTY OF OBTAINING A DIAGNOSIS OF CEBV:

--woman, age 35, AZ: Respiratory therapist. Had been ill over 5 years; but doctors insisted she was "malingering" since none could find a cause. Sister was a professional proofreader who received galleys from a doctor in Boston about the Epstein Barr Virus and lymphoproliferative disease. While proofreading this paper, she was struck by clinical description of the illness, and how similar it sounded to what her sister had been experiencing. With her sister contemplating suicide because of the illness, the pain and lack of diagnosis, she contacted the doctor in Boston, learned about a doctor in Arizona (in same town as her sister resided) who was treating patients with this illness. She was given the necessary test and positive diagnosis was made for the first time----a final validation that her illness is real.

--woman, age 29, FL: Parenteral Nutrition Consultant. Visited many doctors in Florida who were unable to diagnose her problem except to suggest that she should "push yourself more." Returned to family doctor in hospital in Illinois for added tests. One doctor was aware of a doctor at a research hospital because an intern knew a nurse who had been diagnosed with CEBV and whose symptoms were similar! Test was run for CEBV; and she had a positive diagnosis for the first time. (Since physical activity exacerbates the symptoms of CEBV, "pushing yourself more" was the worst possible advice to give a CEBV patient.)

--woman, age 35, AZ: Ill for 10 years, would periodically be laid up for a week or two. Was working in a room at a hospital next to the film editing room and overheard patients with CEBV describing their symptoms for a video film---realized "they were talking about me!". (This film is available for viewing from:
University of Arizona, Health Sciences Center, Tucson, AZ 85724. Telephone: 602/626-7343 "Chronic Epstein Barr Virus Infection"; James Jones, M.D., Maureen Hutter, PhD. 25 minutes)

--woman, age 27, NY: Learned of CEBV through friendship with a PhD, research professor who is bedridden with CEBV, too weak to use telephone.

--woman, AZ: Learned of CEBV as a neighbor of one patient's relative. When her doctor learned about CEBV, test was run and another diagnosis confirmed.

Where doctors know of this illness and are able to have proper test run, there are many patients whose CEBV diagnosis is finally confirmed. Limitation of space for this report does not allow descriptions of the many other patients known to have this illness.

BRIEF ANECDOTAL COMMENTS ABOUT SOME PATIENTS DIAGNOSED WITH CEBV:

--male, age 19, AZ: Confirmed diagnosis of CEBV. Was disoriented because of CEBV neurological symptoms. Hospital refused to believe diagnosis of CEBV. Hospital staff treated him as having severe phychiatric crisis. Even when his parents (father is a minister) showed letter from doctor, newsletter of support group, etc. about CEBV, hospital staff ignored it all. Tormented him because was told "we know you are on drugs." Patient frightened, tried to leave hospital, was forceably detained and locked in psychiatric unit. Severe trauma.

--woman, age 19, AZ: Two years ago won state science fair, received full scholarship to medical school. Illness does not allow her to attend any school because neurological symptoms of CEBV have affected her ability to concentrate and learn.

--woman, age 16, AZ: Ill 3 years before diagnosis of CEBV. Psychologists and psychiatrists told parents "she is a manipulative child and must be forced to go to school." One day when forced to go to school, parents found her, fallen to the ground and asleep in a downpour because she did not have the strength to take one more step. Family finally realized doctors were incorrect; the child was not malingering, but was seriously ill.

--male, doctor, AZ: Ill for 30 years. Can trace back to when in Navy in 50's. No one would believe him, even though he is an immunologist. Was unable to convince anyone he was truly ill. Confirmed diagnosis of CEBV recently.

--woman, age 34, AZ: Works as probation officer, but barely able to continue. Severely impaired physically. Awaiting outcome of disability hearings..has to have some income to live. Was told at one of most prestigious medical centers that she was a "neurotic, depressed woman." Positive CEBV diagnosis recently.

--woman, age 55, AZ: Grammar school librarian. Seriously ill and distraught because unable to work. Very much in need of financial support since she is trying to care for aged mother as well.

--woman, age 45, AZ: Owner of successful real estate business, flies own plane. Recently diagnosed as having CEBV. Disturbed about possible neurological symptoms and inability to function in her business.

--male, OR: Pulmonary physican who has CEBV. Had to give up practice. Has not been able to work for about a year.

--woman, GA: Nurse, sick for 7 years, no one believed her. Has seen 5 psychiatrists, and among other tests had undergone 2 cardiac catherizations. Received very negative treatment from NIH. Diagnosed with CEBV about 2 years ago. Has lost request for social security benefits up through the Federal Courts. Very desperate.

--woman, age 41, AZ: Incorrectly diagnosed for 17 years. Recently diagnosed as having CEBV. Doing poorly. Husband, health good all his life, now also has acute CEBV. Doctors not certain of correlation.

--child, age 8, AZ: Sick almost from time of birth. Health steadily declining. Had had every possible medical test including heart catherization as doctors attempted to diagnose her illness. One doctor certain of CEBV diagnosis: other doctor does not acknowledge CEBV as an illness. Parents do not know who or what to believe.

--woman, age 20, MI: Both she and boyfriend had acute mononucleosis and have never recovered. Became ill as graduate students in divinity school. Now ill for two years, unable to get married or finish school.

Note: A number of the cases cited above are from the Arizona area. A doctor there, aware of CEBV, was able to order the necessary test to confirm the diagnosis. Information on these patients comes from a small support group run by a young woman who is seriously ill with CEBV herself. She tries to work by telephone to assist others across the U.S. who are in need of information and moral support. Her illness is making this work more and more difficult for her. The doctor who had been working with the support group has had to move, and no other doctor is now available to assist these patients.

One year ago, Chronic Active Epstein Barr Virus syndrome did not even have a name. It was largely through the efforts of a relatively few doctors and researchers and through the efforts of one CEBV patient, that the support group was started and that this one young woman, suffering from this debilitating illness, was able to reach out and assist so many other patients across the U.S.A. We thank her for her dedication. Without her efforts, Minann, Inc. would not have been able to compile the kinds of information included in this statement. We ask your help for the victims of this disease.

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Mr. VAN ZELST. Mr. Chairman, I'm Theodore Van Zelst. I'm president of Minaan, a foundation which expends its efforts on educational and medical matters. Minaan has not salaried staff. All work is done on a voluntary public service basis.

I would like today to explain our experiences in researching and aiding victims of a relatively unknown disease, chronic active Epstein Barr virus [CEBV]. This disease affects many people in the United States and probably affects thousands of others who are undiagnosed because too little medical research has been directed to solving the problems of diagnosis and cure.

At present, there is no known treatment or cure, or even the ability to lessen the constant pain of this illness. Very few doctors know of the chronic active form of Epstein Barr virus and of the blood tests which may make diagnosis possible. Therefore, diagnosis is usually by exclusion requiring patients to undergo difficult and often dangerous medical tests which might be unnecessary if CEBV were better understood.

This illness is characterized by cyclical high fevers, continuous and unrelieved severe headache, malaise, extreme fatigue, and neurological difficulties. The symptoms are worsened by any form of physical activity.

The very small research effort on CEBV has been reduced or almost eliminated in recent years as funds have been transferred to the study of AIDS and herpes, problems which have received strong media coverage. Through this testimony we hope to give an awareness of the need for research funding for chronic active Epstein Barr virus and appeal to this subcommittee to specify funds for this research in the appropriations for medical expenditures in the 1985 fiscal year.

Through patients we have learned of doctors who have worked on research or who have patients diagnosed with CEBV. To gather a knowledge of what is being done in research, we sent a questionnaire to 18 doctors who had some identification with this illness.

We received an exceptional 94 percent response with many lengthy letters and support information. We also received a commentary from numerous patients.

The doctors supplied information regarding proposed research activities on chronic active Epstein Barr virus and the approximate funding that would be required. Based on this information, we suggested this subcommittee include in the budget for medical research on CEBV the sum of $12 million.

Research in autoimmune and viral disorders of a CEBV type may serve to unlock many other perplexing medical enigmas, including a wide spectrum of other viral diseases. Because of the unknown viral nature of CEBV it may be affecting many more of our citizens now and in the future.

Research should be conducted on this serious viral illness which affects many health professionals. Records, including correspondence with doctors in research centers, will be available to this subcommittee if desired.

The limitations of time did not allow us to include these materials in the verbal testimony; however, our accompanying statement includes information from doctors on the need for CEBV research, the difficulty of diagnosis, and the anecdotal comments about CEBV patients.

Thank you for allowing us the time to present these comments on behalf of the many people who are affected with chronic active Epstein Barr virus, a very debilitating illness. Action by Congress through the appropriations is perhaps the only way that research funding will be made available in the coming year.

Thank you, Mr. Chairman.

Senator INOUYE. To the best of your knowledge, approximately how many persons are afflicted?

Mr. VAN ZELST. We are working with support groups in various parts of the United States. One support group has about 500 people on their mailing list. There's a doctor in Atlanta who has become a specialist in this area in identifying patients. He has over 100 patients.

He feels that by more doctors being aware of the disease and how it can be at least diagnosed that there are many more patients that are around. We have known of patients who have actually had this for 5 to 8 years before they have been properly diagnosed.

Many doctors, even the internists, are not familiar with it because so little has been written into the research.

Senator INOUYE. I see. Thank you very much.

Mr. VAN ZELST. Thank you.

STATEMENT OF MARY JO JACOBS, M.D., COMMITTEE MEMBER, MINE HEALTH RESEARCH ADVISORY COMMITTEE

Senator INOUYE. Our final witness is Dr. Mary Jo Jacobs, committee member of the Mine Health Research Advisory Committee.

Dr. Jacobs.

Dr. JACOBS. Thank you, Senator. Am I correct in understanding that my written testimony presubmitted will be——

Senator INOUYE. Oh, yes; it is made part of the record, yes.

Dr. JACOBS. I don't need to make direct reference to that.

I would like to take this opportunity to first of all explain to you why our committee comes before you with testimony. The Mine Health Research Advisory Committee is a group of professionals composed of representatives of public health, management, labor, the academic scene; and we come to speak on behalf of restoring the NIOSH training budget not as recipients of this budget, but because of concerned citizens, I guess you would say.

When we, in our capacity as an advisory committee, reviewed the NIOSH budget to see what the mine health research portions would be proportionately to the budget, we came across this item in the budget of NIOSH training and this had been completely eliminated. Perhaps it wouldn't have caught our eye so much had it not been zeroed out.

To us that brought about a very significant concern that this was, indeed, a policy change for NIOSH, the National Institute of Occupational Safety and Health, relative to the training of persons in this field. We feel that this is really crucial at this time.

I would like to draw you an analogy. In the field of public health, the first half of the century we made great advances in communicable disease, in infectious diseases, and immunization programs—polio, measles, et cetera.

Through these public health steps, we brought about tremendous savings in not only money but lives and morbidity and so forth.

We feel that the field of occupational health and safety is the next large preventive health program which can be instituted to save us, as a country, billions of dollars and that if we don't have a pool of trained professionals to lead this movement that, in fact, it cannot come about effectively.

We already have a lot of occupational safety and health information that has not been disseminated to the places where it can be used. I'm a country doctor. Let me assure you my income falls well within the one that your dean of public health spoke about.

We doctors out in the field have not been given the new knowledge that is available in the field of occupational health and safety. We do episodic care of the miner, of the construction worker and so forth that comes into the office. We don't see it as a totality.

We need professionals to offer postgraduate training. We need increased training in the medical schools, in the junior highs, in the high schools to teach the working population what their hazards are in the workplace, to teach management how to protect their workers.

These are the reasons why we feel that the schools of public health, the ERC's, and so forth, must continue a very significant training budget.

Thank you very much.

Senator INOUYE. I thank you very much, Dr. Jacobs. You struck a very important note in your testimony, preventive medicine.

Dr. JACOBS. Absolutely.

Senator INOUYE. We on this committee are very keen on that. We believe that by spending a little more we can save a lot.

Dr. JACOBS. I'm happy to hear that. I heard that all morning in the testimony and my move is to not only do the research on it, but to make it applicable to the people.

Senator INOUYE. We'll do our best.

PREPARED STATEMENTS

Dr. JACOBS. Thank you very much.

Senator INOUYE. Thank you very much. Your statement will be included in the record at this point, along with other statements submitted for the record on appropriations for NIH general.

[The statements follow:]

STATEMENT OF DR. MARY JO JACOBS

The Mine Health Research Advisory Committee, whose members I represent, is a group of individual citizens who offer their expertise in mine health and safety in an advisory capacity to the Secretary of HHS. We have written to the Secretary expressing the same concerns which we wish to share with you today, but we feel it is our duty as informed citizens to bring you testimony relative to the lack of appropriation in the NIOSH budget for education.

There are two crucial issues in the field of health care which have the attention of the entire American public and therefore of the constituents which you serve. With your ability to set policy by the granting or withholding of funding, you bear an especially responsible and prestigious position among your colleagues and in the eyes of we citizens.

The two issues of great importance are those of cost containment and preventive health measures. It is our intent through this testimony to demonstrate the direct relationship of an appropriation for education in the NIOSH budget and significant long-range cost containment through the practice of true preventive measures in the field of occupational health and safety.

Education in the field of occupational health and safety is perhaps more critical now than at any time in our recent past. We have only to look at the costly tragedies of these past two to three decades to realize this. The cost of the Black Lung program ($4.6 Billion in 1983), the Love Canal, asbestos malignancies, etc. are only a few examples of preventable and costly mistakes. Occupational diseases are currently costing the Social Security System about $2.2 Billion annually. These tremendously expensive programs must all be paid for "after the fact" in money and in human lives. The American public is as acutely aware of the preventable aspects of occupational exposure now, as it was of communicable disease in the first half of this century. As vaccines were developed to rid us of smallpox, yellow fever, diphtheria, whooping cough, tetanus, typhoid, measles, etc., we have seen the cost benefit many times over - dollar cost benefits - and freedom from human suffering. We are on the threshold now of a great public health move forward in another field of prevention; that of occupational health and safety.
But, in order to accomplish this program, we must have trained health professionals to guide us and show us the way. We cannot afford the decades of time required for

procurement of these persons from the private sector, nor can we divide them into industry professionals and labor professionals, each with his own turf to protect and the time-consuming and costly legal battles surrounding such a schizm. That is why we come before you; to make a unified effort - public health, industry and labor. We come to you as professionals to plead the case of the American Citizen in the work place, be he management or labor.

In the historic past you have set the precedent for specific program financial aid, such as monetary incentives for training psychiatric professionals and for training public health professionals to serve in rural and underserved areas. We have some examples of a few ways this same responsiveness can be used to launch the next great American preventive health program. There are many young people interested in preventive medicine. Through training them in occupational health, we can achieve significant impact in Health Promotion and Disease Prevention. This would happen on a large scale by programs developed for industry and workers. A critical mass of trained people is necessary to deal effectively with this.

The occupational health professional must no longer be isolated and separated from his colleagues. This causes him to lose some of his perspective of the patient as a whole and of his total health, not just that related to his job. Next, every health professional being graduated next year and every year to come, must have a new awareness of the real and exciting responsibility he has to be a part of a prevention program in occupational health. The American Public has been vocal in its quest for Prevention and has shown its collective and individual commitment to it through the spending of personal income on fitness programs, stop smoking campaigns and nutritional awareness. Now we are seeking a means for collective opportunity. The individual, alone, cannot change his workplace. Industry cannot, labor cannot. It will take the combined good and faithful effort of all of us to do so. This is why, you, as our Congress, must be visionary enough to seize this opportunity and to be practical enough to carry it through by proper appropriation in a timely manner. It is time to stop lip service and to make the system workable.

We are not seeking a donation or gift of public funds. We are asking you to invest our American dollars in the Bank of Health Prevention and see them grow and bear interest many times over as the discipline of occupational health and safety grows to its prime maturity over the next decade. The money you appropriate will serve as the catalyst to this event.

Allow us, now, to give you some examples of lost and wasted dollars. Some of these are lost because we have not yet performed the research necessary to improve our knowledge of solutions to existing problems. However, much more preventive knowledge is already available, but is not generally used because of lack of educational funds to inform those who are in positions to make use of it. Take, for example, one of the most costly problems that exists in an industrialized society, that of back injury and pain. More compensation dollars and human productivity are lost for lower back pain than any other health problem. It is estimated that 28% of the U.S. industrial population will experience disabling lower back pain at some time in their lives. Each year 4.6 billion dollars are spent in the U. S. for low back compensation.

Let's consider some of the needs for educational programs for back problems and what kind of a dividend you might expect for your investment in them. Most doctors don't know what "ergonomics" is, let alone have the opportunity for taking a course in it. Ergonomics is the study of the relationship between human beings and machines, especially in terms of physiological, psychological, and technological requirements. Ergonomics is a course primarily given to engineers. If we are to solve the costly drain on our economy secondary to on-the-job back injury, then physician and engineer must be trained together in order for each to understand the other's problems. The engineer can offer the best control technology and the physician can offer preventive stop points in an activity and protective exercises and appliances to forestall injury from jobs that exceed control technology.

Every medical student needs a clear awareness of the necessity for taking a detailed work history, which should include correlation of industrial hygiene findings to the exposures of the individual worker. Episodic, symptomatic care of the worker who comes to the doctor's office complaining of back pain, hearing loss, respiratory embarassment or cough can no longer be tolerated, both from the standpoint of cost and from the standpoint of quality of care. Medical epidemiologists, researchers, teachers, etc. must pass their knowledge to the practicing medical clinician and to management and labor in order to apply all possible preventive measures prior to the onset of illness.

Eliminating funding for NIOSH to use in the Schools of Public Health, Educational Resource Centers for Occupational Health and Safety, Seminars, educational materials, etc. would be one of the most costly mistakes we could make as a nation. Just as the control of communicable disease was an extraordinary step in the savings of dollars and human lives, so prevention applied in the workplace can be our next critical advance. We look to you, our Congress, to recognize this opportunity and to help us fulfill its promise by restoring significant funding to the NIOSH training budget.

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PUBLIC HEALTH SERVICE
CENTERS FOR DISEASE CONTROL
NATIONAL INSTITUTE FOR OCCUPATIONAL SAFETY AND HEALTH

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STATEMENT OF MARYANN ZAREMSKA, M.L.S., PRESIDENT, NORTHERN CALIFORNIA AND NEVADA MEDICAL LIBRARY GROUP

As a hospital librarian in a medium-sized community hospital, I urge you to support the proposed National Library of Medicine budget which requires seven million dollars more than the President's proposed budget. These additional funds are crucial to support the Integrated Academic Information Management System (IAIMS) and other programs which encompass the critical role of computers in medicine. I want to assure you that the impact of these programs is concretely felt by the "front-line" librarian who accesses and disseminates medical information to the hospital clinician. As president of the Northern California and Nevada Medical Library Group which has 221 members working in both academic and hospital settings, I know that the ultimate effect of the NLM programs, funneled through the Regional Medical Library network, is the provision of vital information to health care practitioners. The results are improved patient care and more cost-effective utilization of limited resources.

Your support of the NLM budget at 58 million dollars is greatly appreciated. Thank you.

LETTER FROM JANET C. JUDSON, MEDICAL LIBRARIAN, RANCHO LOS AMIGOS HOSPITAL

April 19, 1984

Senator Lowell Weicker, Jr.,
Chairman
Subcommittee on Labor, Health,
and Human Services
Washington, D. C.

Dear Senator Weicker;

I am writing to encourage your subcommittee to increase the budgetary appropriations for the National Library of Medicine for fiscal year 1984-85. The President has recommended a total budget of $51 million dollars, which is $7 million less than requested by the Library.

With the additional monies restored, the National Library of Medicine intends to further computerize its procedures and make such programs available for use in local medical libraries. Already our medical library has benefited greatly by the National Library of Medicine's computerization programs -- we offer our medical and nursing staff up-to-the-minute medical bibliographies on subjects they need to have researched; and we obtain most of the cataloging for our new books through the Library's computerized cataloging program.

Further computerized procedures will be both cost-effective and staff-efficient because the computer will take over more of the routinized, laborious tasks now performed by library staff; and it will do them more quickly and accurately.

I am requesting that you make my letter part of the official hearings on this matter.

Thank you for your consideration.

Sincerely,

Janet C. Judson

Janet C. Judson

Medical Librarian

STATEMENT OF ROBERT P. WILLIAMS, PH.D., PRESIDENT, AMERICAN SOCIETY FOR MICROBIOLOGY

With an active membership of over 31,000, the American Society for Microbiology (ASM) is the largest single biological life science organization in the world. The Public and Scientific Affairs Board (PSAB) of the ASM wishes to join with a coalition of over 130 groups interested in biomedical research to express its general support for an alternative research budget for the National Institutes of Health (NIH) for Fiscal Year (FY) 1985. A copy of the proposal of the Ad Hoc Group for Medical Research Funding is attached. In our view the President's FY 1985 budget submission is incompatible with maintaining an adequate effort in biomedical research for the public health and well-being.

Our recommendation for the NIH is for a minimum increase of $647 million over the President's request of $4,567 billion, giving a total of $5,214 billion for FY 1985.

Among the many deficiencies in the President's budget, this increase will help to address those most important to our Society, for example:

1) Much of the NIH funding for research in microbiology is from the National Institute of Allergy and Infectious Diseases (NIAID) and the National Institute of General Medical Sciences (NIGMS). The President's budget for FY 1985 calls for a decrease in the number of new and competing investigator-initiated research grants from the FY 1983 figure of 522 to 444 for NIAID and from 835 to 744 for NIGMS. In addition to NIAID's taking the lead role in research on Acquired Immune Deficiency Syndrome (AIDS), these two institutes fund much of the original research in molecular genetics and immunology that is on the cutting edge of modern biology. The basic, untargeted research in the biomedical sciences which the NIGMS supports is fundamental and provides the underpinning for all the disease-oriented research done by the other institutes. The NIGMS has sponsored much of the important research on recombinant DNA which is leading to direct payoffs such as the manufacture of important biological substances, including human growth hormone, insulin and interferon, the development of new vaccines and the early diagnosis of certain genetic disorders. NIGMS funded investigators are also using recombinant DNA technology as a valuable research tool to study genetic mutations and the way malignancies arise. Gene mapping linkage studies supported by the NIGMS are helping to locate the genes for traits and diseases such as cystic fibrosis and Huntington's Disease. This research could lead to new approaches to understanding heredity and, perhaps, to treating the more than 3,000 genetic diseases which afflict millions of people. The NIAID is supporting exciting research on the immune system to learn more about its role in the development of chronic diseases such as arthritis, cancer and asthma. The NIAID is the major source of funding for research in infectious, immunologic, and allergic diseases which account for nearly one-third of all visits to physicians. Infectious diseases as a group remain one of the major health problems of this country and result in approximately 27 million patient-days of acute hospital care each year (10% of all patient days in acute care hospitals) at an estimated direct cost of nearly $6 billion. Yet the President's budget would cut our efforts in terms of new and competing research grants which can be funded by 12-15% in these areas. Furthermore, the numbers of grants which the President's budget proposes to fund are artificially inflated because they are calculated on the assumption that direct costs of competing and noncompeting grants will be negotiated downward an average of 6% and 5% from the amounts recommended by the review panels. (The NIAID will have to reduce noncompeting grants by 7.6% and competing grants by 7.3%.) This proposed reduction comes at a time when more sophisticated and, therefore, more expensive approaches are required to solve problems in biomedicine.

   The budget increases recommended by the Ad Hoc Group for Medical Research Funding would restore cuts in direct costs of research grants and increase the numbers of investigator-initiated research grants across all institutes. The Ad Hoc Group's budget proposal should restore the award rates for NIGMS and NIAID to their FY 1983 levels. Even under these conditions only 35-41% of the approved applications would be funded. This is a very conservative number considering the excellent research applications being received by NIAID and NIGMS. It represents a critical threshold below which the research effort will be seriously impaired.

   A critical situation also exists for the National Institute of Dental Research (NIDR) and the National Cancer Institute (NCI) which support significant amounts of research in microbiology and we recommend similar increases for these institutes. The two major dental diseases, caries and periodontal disease, are bacterial in origin and they are the most common infections in the nation, costing billions of dollars annually for treatment. As a result of oral microbiology research supported by the NIDR our understanding of both diseases is increasing dramatically and significant progress has been made in controlling dental caries, primarily in children.

2) The President's budget would fund approximately 9,000 research trainees, a decrease of 1,570 from the FY 1983 level of 10,570. The continued preeminence of the United States in biomedical research and biotechnology is dependent upon maintaining an adequate pool of highly trained and motivated research scientists. With scientific advances and the rapid application of biotechnology to industrial uses the need for well trained people in molecular genetics, industrial microbiology and immunology is ever increasing. According to the Office of Technology Assessment's recent report on

Commercial Biotechnology: An International Analysis, in order to maintain the U.S.'s present competitive advantage in the commercialization of biotechnology, "increased funding of research and training of personnel in basic and generic applied sciences, especially bioprocess engineering and industrial microbiology, may be necessary." Yet the President's budget for FY 1985 calls for 511 fewer training positions than were funded in FY 1983 for NIGMS (3,202 vs. 3,713) and 39 fewer training positions than were funded in FY 1983 for NIAID (440 vs. 479). Similar severe decreases are projected for other institutes. This represents a remarkably short-sighted approach to an issue which is central to the continued well-being of the nation and continues a long-term decline in the number of trainees (Table 1). The training of a doctoral level biomedical scientist requires 7 years beyond the bachelor's degree on average; thus, what we do today will determine the availability of trained people in the 1990s. If funding for research training continues to decline, it will lead to an ever more serious decrease in the number of available training slots for all the institutes and a weakening of existing graduate training programs. As research training support wanes, we are approaching a dangerous point where it will be difficult to recruit bright young people into the biomedical sciences. It would be wrong to mortgage our future for such small savings as are represented by the figures for training in the President's FY 1985 budget. The additional funds for training recommended by the Ad Hoc Group for Medical Research Funding would restore the number of trainees to 10,518, a figure recommended by the National Academy of Sciences and a level still below the 10,570 trainees funded in FY 1983.

3) In addition to its support of extramural research and training the NIAID has a vigorous intramural research program which is playing a leading role in research on the causes, prevention and treatment of AIDS and which has pioneered in the application of recombinant DNA technology to the development of new vaccines against major viral diseases such as hepatitis and influenza. The President's FY 1985 budget calls for an increase of less than 5% for intramural research, considerably less than the rate of inflation associated with high technology research of the type being done. Thus, the intramural program would actually be able to do less than in previous years. The PSAB recommends an additional 8.5% or $5 million for intramural research for the NIAID. A similar increase is recommended for the intramural program of the NIDR.

4) Although the funds involved are minuscule in comparison to other programs of the NIH, we would be remiss if we did not comment on the proposed underfunding of the Minority Access to Research Careers (MARC) program. The proposed 3% increase in the President's budget recommendation for the NIGMS-sponsored MARC program is deficient in several areas. The overall level of funding has remained insufficient throughout the history of the program. For example, the President's FY 1985 budget would support 17% fewer awards than supported in FY 1983. This reduction in awards comes at a time when NIGMS's most recent initiative, the MARC Predoctoral Fellowships, is beginning to attract a larger pool of applicants from the MARC Honors Undergraduate Program and is showing considerable signs of success. Also, a 1981 report by the National Research Council Commission on Human Resources concluded that minority doctoral recipients incurred greater financial burdens in pursuit of their career goals than their counterparts in the majority population. This problem still exists in 1984. Therefore, we recommend an increase of $1.2 million over the President's budget to a level of $7.4 million for FY 1985. This amount would restore the awards to their FY 1983 and 1984 levels and reverse the two year decline reflected in the Administration's budget request for the MARC Program.

5) We urge that particular attention be paid to increasing funds for renovation or replacement of substandard animal facilities. According to a National Research Council survey, about 38% of all nonprofit biomedical research organizations have reported a need for remodeling their animal facilities and 16% need to replace them. We recommend a downpayment of $25 million for this purpose in FY 1985.

In summary, we believe the President's budget for FY 1985 for the NIH is grossly inadequate and, thus, deleterious to the health and welfare of the nation. The most conservative estimates suggest that there is a return of $13 for every $1 invested in basic biomedical research, and yet we persist in underfunding this area. In view of the enormous costs of health care at the national level and the extremely steep rate of increase of such costs, it is imperative that we adequately support research into the cause and prevention of disease. The budget proposed for the NIH for FY 1985 by the Ad Hoc Group for Medical Research Funding represents a serious and informed attempt to support adequately the nation's biomedical research endeavour while remaining fully cognizant of fiscal constraints. The proposal brings the increase for NIH into line with those requested by the President for research support in other agencies.

STATEMENT OF THE AMERICAN PSYCHOLOGICAL ASSOCIATION AND THE ASSOCIATION FOR THE ADVANCEMENT OF PSYCHOLOGY

Mr. Chairman, thank you for the opportunity to provide a statement in addition to our earlier testimony on Alcohol, Drug Abuse, and Mental Health Administration. We hope this addition contributes to your deliberations on the fiscal year 1985 Appropriations for the Departments of Health and Human Services and Education.

National Institutes of Health (NIH)

At least $150 million of the more than $4 billion budget for NIH is in the broad category of behavioral and social science research. Psychology is one of the core disciplines involved in this research and psychologists conduct an array of scientific inquiry that ranges from unlocking the physiological mysteries of the brain to the study of the processes of the brain which we know as learning, communication, and social behavior.

Health and Behavior -- Many health problems, including heart disease and cancer, are linked to behavior that can be described as health-impairing. Smoking or heavy drinking; poor diet; lack of exercise; delay in seeking medical care; failure to comply with treatment and rehabilitation regimens -- all are examples of health-impairing behaviors and have great influence on the success of efforts to understand and promote good health and prevent the onset of serious disease. Behavior also is linked to physical illness through physiological responses to stress and other psychosocial stimuli.

Last year, in S. Rpt. 98-247, the Senate Appropriations Committee directed the Department of Health and Human Services (HHS) to give attention to the findings of studies by the Institute of Medicine and the Surgeon General, both of which emphasize the role of behavioral factors in reducing the risk of many types of disease and in promoting improved health care. We applaud the Committee's interest in the important and promising research on health and behavior. The HHS response to the Committee's directive on health and behavior indicates that considerable progress has been made in NIH and the Alcohol, Drug Abuse and Mental Health Administration (ADAMHA) in strengthening the scientific base for behavioral medicine.

However, the Public Health Service (PHS) included in its FY 85 budget proposals for NIH an initiative to stimulate research and research training in the area of health and behavior. The initative, which would have added $7 million to the NIH budget for collaborative efforts in this area, was not included in the Administration's final FY 85 budget request to Congress.

The PHS initiative reflects concern and a collective willingness to place greater emphasis on the behavioral and social variables of health on the part of NIH and ADAMHA, and it was proposed in response to the Appropriations

Committee's directive. We understand that the initiative was specifically deleted by the Office of Management and Budget. We are extremely concerned that this rejection signals both a lack of foresight about the value and likely return of such an investment; and a lack of understanding about the significant link between health status and healthy behavior.

We urge this Subcommittee to continue its leadership on this issue by restoring the $7 million PHS initiative on health and behavior research in the FY 85 appropriations for the Department of Health and Human Services.

Training -- NIH support for research training is critical for a number of sciences, including psychology. The amount of funds available for training researchers in these areas is directly affected by two current NIH policies: the reduction in the number of predoctoral trainees that are being supported; and the emphasis on increasing the number of physician researchers.

Behavioral and social science researchers have been adversely affected by the decline in predoctoral training awards that has occurred in NIH and other sources of federal research training support in recent years. The Administration's training budget proposal for FY 85 if approved could continue this pattern of decline.

Although the number of predoctoral awards in the behavioral sciences for 1983 are not yet available, the number is approximately 475. This is far short of the actual number of awards in 1981 (639), and is substantially under the level recommended by the National Academy of Sciences (NAS) Committee on National Needs for Biomedical and Behavioral Research Personnel for 1987 (650).

We are delighted to report a major change in federal recommendations concerning research training in the behavioral sciences. The NAS Committee's most recent report includes a recommendation for increased federal support for behavioral science research training, and more specifically, a recommendation for increased federal support for training at the predoctoral level. We urge this Subcommittee to direct NIH to implement the NAS report increasing predoctoral training in the behavioral sciences.

A related issue that may further contribute to the decline in predoctoral training support is NIH's current effort to increase the number of physicians conducting research, from 1,900 a year to 2,200 a year. Training grants have been the preferred mechanism to accomplish this. But the use of training grants is increasingly viewed as less effective in promoting research careers among physicians compared with other more appropriate career development measures.

Health research today requires both physician and nonphysician scientists. Working as teams, these individuals can contribute to needed advances in our understanding of factors related to health and illness. The current emphasis on increasing the number of physician scientists must be balanced by attention to the training of nonphysician Ph.D. scientists for health settings. We believe it is equally important to increase the capacity of Ph.D. scientists to conduct high quality programs in health research.

Representation -- We also would like to discuss an issue that dovetails with our concerns about research priorities and about training programs at NIH. The issue is the adequacy of representation for behavioral and social science researchers on the NIH advisory system. Currently, there are few if any representatives of these sciences on must NIH advisory councils. As noted above, there is a significant amount of NIH support being allocated to research in behavioral medicine and other behavioral and social science research activities. We believe there should be increased participation by behavioral and social science researchers on NIH advisory boards which have responsibility for setting priorities and influencing the directions taken in these areas of research.

National Institute of Aging (NIA)

As the proportion of people in the United States age 65 and above continues to grow, from approximately 12 percent of the population in 1983 to a projected 18.3 percent in 2030, the support for NIA's activities becomes increasingly important. We urge the Committee to support the NIA budget request of $117.390 million for FY 1985.

In the area of social and behavioral sciences, NIA has supported research, principally through grant awards, on the psychological and social aspects of aging. Research conducted on the cognitive and intellectual functions in aging, focusing on memory, perception and psychomotor skills, has revealed that cognitive functions, intellectual capability and reaction times of the aged may show little decrease with advanced years. These findings have implications for employment, training, and effective functioning of the aged in everyday life. Behavioral geriatrics research concerns health-related attitudes and behaviors of the aged and health-care providers. Behavioral research in this area has focused on such issues as the older individual's compliance with prescribed regimens and treatment plans, and the use of behavioral therapies and biofeedback techniques in preventing urinary incontinence in older persons. This research has implications which may affect the costs of health care nationwide. The Surgeon General's office has estimated that incontinence in the elderly may cost this nation $13 billion a year, as it is a major reason that the elderly are placed in nursing homes rather than cared for at home. A third area of research concerns the impact of bereavement and other age-related problems on the health and mortality of the aged. Bereavement has been associated with increased rates of alcoholism, accidents, infectious disease and suicide. Research has focused on the implications of interventions designed to lower the health and social risks associated with bereavement.

National Institute of Child Health and Human Development (NICHD)

The National Institute of Child Health and Human Development (NICHD) is the lead Institute at NIH for support of behavioral and social science research. Its FY 84 budget is $275.2 million; approximately one-fifth of its extramural funds are allocated for research on behavioral factors that contribute to the development of infants, children, adolescents, and their mothers. In recent years, research supported by NICHD has led to significant advances in our understanding of both normal and abnormal development. Such understanding is vital to assuring that our nation's children have sound and healthy early years, thus reducing the need for costly programs later on.

The Administration has proposed $280.2 million for the NICHD budget for FY 85. This is only a 1.3% increase above FY 84. In the past, the Congress has supported increases for NIH over the Administration's proposals. We urge you to continue that tradition which recognizes the contribution of national research activities as a wise investment in the health and well-being of our citizens. To maintain current levels of effort, the vital research supported by the NICHD merits, as the minimum, a increase of 5% over FY 84 appropriations.

Primate Research Centers

There are seven Regional Primate Research Centers being funded through the NIH Division of Research Resources. The FY 84 budget for the Centers is $21.6 million, and a budget request of $21.8 million has been submitted for FY 85. The Primate Centers represent an investment in developing critical resources for the Nation's biomedical and behavioral research enterprise. They will have profound implications for efforts to increase understanding about such human maladies as kidney disease, leprosy, cystic fibrosis, visual disorders, blood disorders, and fetal development, as well as a host of other conditions. It is estimated that a five percent increase is needed to maintain current levels of support. We strongly urge you to support an increase of five percent in the Primate Research Centers appropriations for FY 85 in order to maintain current levels of activity.

In addition to these concerns about the FY 85 appropriations for the National Institutes of Health, there are other programs of interest to psychologists which are discussed briefly in the remainder of this statement.

Office of Human Development Services (OHDS)

The Administration's FY 85 budget request includes a reduction of $642 million for OHDS programs. It is imperative that funding for these essential programs be restored to at least FY 84 levels to maintain the vital federal leadership role in social services.

In addition to the Community Services Block Grant and the Work Incentive Program, the proposed budget cutbacks specifically target Human Resources Research and Development programs in child welfare, child abuse, adoption opportunities, and social services. As compared to the $21 million available for funding projects in these areas in FY 1984, only $4 million is proposed for FY 85 (an 81% reduction) under the general category of Human Resources R&D. Such a drastic reduction in funds would not enable researchers to accumulate the necessary knowledge to respond to the public's growing concern over the treatment of vulnerable children in this country.

A similar lack of appreciation for the value of research to benefit those most in need is also evidenced at the other end of the age spectrum by the reduction from $22 million to $5 million (a 77% reduction) in the Research, Training and Discretionary program of the Administration on Aging. The Reagan Administration justifies this reduction by stating that "non-service programs are a low priority in 1985." Adherence to such a philosophy would severely curtail efforts to assess the needs of the populations served and to design more effective programs to meet those needs.

National Institute of Education (NIE)

We urge the committee to restore funding for NIE to the FY 83 level of $54 million to maintain the necessary base for the understanding and information of our educational system.

The National Institute of Education has supported research on factors contributing to the effective functioning of schools. Support for the cognitive sciences, particularly in mathematics learning, has enabled critical understanding of how students approach and learn about problem solving. Well-conceived studies of reading processes and of how research knowledge becomes incorporated in the actual teaching of reading in classrooms were supported by NIE. Pioneering work of the use of microcomputers in classrooms was also initiated by the Institute before the current interest in educational technology. These activities, so essential to improving the quality of education, have contributed to real gains in our knowledge about how children learn, how teachers can be more effective, and how schools can become more effective environments for learning.

As an increasing proportion of NIE's funds are allocated to institutional arrangements, we point out that the vitality and creativity of research is sustained by individual investigators. Accordingly, we recommend that the Congress pay particular attention to the great imbalance between institutional and individual investigator support of educational research in NIE and urge that the Committee call upon the NIE to use all available funds to support more field- and investigator-initiated research than it presently does.

Thank you again for the opportunity to participate in your deliberations on the FY 85 Appropriations for the National Institutes of Health, the Office of Human Development Services, and the National Institute of Education. We would be pleased to answer any questions the Subcommittee may have and to provide any further information that may be required concerning the issues that have been raised in this statement.

STATEMENT OF DR. NORTON NELSON, PH.D., ASSOCIATION OF UNIVERSITY ENVIRONMENTAL HEALTH CENTERS

My name is Norton Nelson. I am Professor of Environmental Medicine in the Institute of Environmental Medicine, New York University Medical Center. I was Chairman of the Department and Director of the Institute of Environmental Medicine for some 25 years, a position which I relinquished some three years ago. I have been succeeded by Dr. Arthur Upton, former Director of the National Cancer Institute, who unfortunately was unable to appear today. I remain full time in teaching and research in the Institute.

I'm here to speak on the behalf of the Association of University-based Centers of Environmental Health. This is an organization of nine NIEHS-supported Centers that are located in distinguished universities in this country: Harvard University, Massachusetts Institute of Technology, Mount Sinai School of Medicine, New York University Medical Center, State University of Oregon at Corvallis, University of California at Berkeley, University of Cincinnati, University of Rochester and Vanderbilt University.

The United States has been increasing the sophistication of its technology for many years, particularly since WW II. It is apparent that in the highly competitive world of current industrial societies the U.S. must continue to be innovative and to stay abreast of the needs of an industrial society if it is to maintain its place of leadership in the world. This means that the country depends to a very substantial extent on producing chemicals, and must produce and use them under safe and careful circumstances; the same applies to the use of equipment that may bring exposure to injurious physical factors. If we are to continue our technological advances, we have at the same time an obligation to understand what health hazards may arise from materials that are potentially dangerous, in order to permit their safe use.

The development of an understanding of the health hazards of technological agents and processes is relatively new. The U.S. maintains leadership in this field, while the rest of the industrialized world lags somewhat behind. It is a tribute to the country's foresight that this position has been achieved. The National Institute of Environmental Health Sciences is a major focal point for the advancement of knowledge in this field, and its Centers program represents a significant part of the nation's resources and skills. It is not, however, to be assumed that NIEHS and the Centers program are an exclusive resource; knowledge and support for the safe use of chemicals derives from many sources within government, research enterprises, industry and universities. Nevertheless, the Centers of the National Institute of Environmental Health Sciences, which I am here to discuss, represent a unique and very special resource in the nation's abilities in this area.

The Centers make many contributions. They provide a focus of stability and enterprise in which committed career scientists can devote their full time to environmental health problems. In addition to their own work, the Centers represent a unique mechanism for encouraging the diverse disciplines within universities to direct their interests to this field. Thus, each of the Centers, in addition to its own program, will have extensive collaborative arrangements with other departments within the university and thus bring the multidisciplinary skills of these sister departments and activities to the level of interest which would otherwise not be directed to environmental health issues.

The Centers are themselves multidisciplinary and provide an additional resource to the nation in the sense that they are staffed by career scientists with the stability to maintain interest and to develop within this framework the needed skills, orientation and background, so that as new problems emerge they can move toward their resolution without retraining. Although the numbers of persons staffing the Centers are very small in relation to the total scientific enterprise in this country, they represent a highly skilled nucleus which can provide the cadre and central focus needed for meeting new and emerging problems as they arise.

There are many chemicals in use; the total number has been estimated at more than 50,000. The great majority are untested or undertested. Some of them are dangerous, some innocuous, others in between. The improvement of our knowledge of the potential health risks posed by these chemicals is one of the most important issues facing us. We need understanding of the science and the development of general principles to guide in setting priorities for the toxicological evaluation of this vast number of substances. The Centers, with their staff of well trained career scientists, can play a special role in establishing scientific principles for priority-setting.

It should be recognized that the funding of NIEHS Centers is primarily for core support; that is, central facilities and core salaries for the members of the scientific staff. The largest part of support for the actual conduct of research, ancillary scientific staff, and supplies comes from research grants and contracts. The multiplying ratio of such operating funds to the center core support normally is in the range of 3 or 4 to 1.

The Center grants are competitive, and their review is even more meticulous and comprehensive than is the very rigorous review of NIH research grants.

The Centers, being located within universities, are a major training resource in this field and provide much of the manpower required to meet environmental health problems, by maintaining the ranks of those with the necessary orientation and skills. Typically, the trainees coming from programs in the Centers find themselves keenly sought in posts within governmental agencies, universities, and industry.

Brief examples of some of the major research directions in the Centers, to illustrate their diversity and relevance to environmental concerns, are the following, which are only a few examples selected from extensive and varied programs: The University of California, Berkeley, Center focuses on the identification and mechanisms of environmental mutagens; The University of Cincinnati Center has a major activity on the toxicity of metals, particularly lead; The Massachusetts Institute of Technology Center is concerned with health hazards of fuel combustion; The Center at the Harvard School of Public Health has a program on innovative approaches to toxicity testing; the New York City University (Mt. Sinai) Center has a broad program in environmental epidemiology; the Center at the NYU Institute of Environmental Medicine has a wide-ranging program on the health effects of inhaled toxicants; The University of Rochester Center has a major interest in the role of the life cycle (especially prenatal effects and aging) on the human response to neurotoxic metals; The Oregon State University Center has a major research program on the health hazards of pesticides; and the Center at Vanderbilt University concentrates its efforts on the metabolism of environmental pollutants.

As I noted earlier, I am here on the behalf of the Association of NIEHS university-based Centers, and would like to propose some changes in appropriations.

There are two points that need to be made, which are vital to the future functioning of these Centers:

1) The President's budget for Centers stands at last year's level, without any allowance for inflation or university-mandated merit and service increases. This means a serious reduction in the programs of the Centers.

Furthermore, for the last 3 years the Centers have been living under a cap, or ceiling, which has limited the core support of the Centers to a fixed dollar amount. The effect of this cap has been an unavoidable reduction in programs in a number of Centers. Inflation has been with us, and as noted above the universities normally impose a fixed merit and in-service salary increase.

I can speak with pain as to what this has meant to our own Center. Five of our scientific staff have had to be released; these were promising young, untenured scientists who will be sorely missed in the future. In some cases it has been possible to avoid termination by awkward improvisations; for example by having their salaries covered in part (or in some cases totally) from individual research grants. This procedure not only prejudices the viability of the affected research grants in competitive review, but it also violates the principle of the center grant which is to encourage career commitment to environmental health by stability of support.

I cannot too strongly emphasize the damaging and corrosive effect that this ceiling has had.

We ask your committee to rectify the above restrictions by the addition of 4 million dollars to the FY 1985 Research Centers Budget.

2) In the early days of the Centers, there was consideration of formalizing, in some degree, areas of special interest for each Center - possibly a priority "theme" for each. The Centers do have varied programs which in fact emphasize fields of particular relevance and appropriateness to their location and faculties.

However, an enduring priority area has not always been possible, in part because of the changing research funding patterns in NIH and other agencies. More durable priority areas could be assured by adding funds to NIEHS for the direct support of such "themes" in the Centers. Such funds would, of course, be competitively awarded and would not narrow the diversity of research currently present in the Centers. This concept would permit broad planning by the Director of NIEHS, jointly with the Center Directors, of an orderly national program to assure coverage of national priorities in a systematic and thoughtful manner.

For a pilot trial of the "theme" concept, we request an additional 2-million dollars for the FY 1985 Research Centers budget.

I would like to turn now to needs of the NIEHS as a whole, particularly in 3 areas:

1) Support for individual (R01) research grants in the environmental health field goes to many universities and Centers. These individual research grants are a very important resource - particularly for their ability to convert basic science into knowledge relevant to environmental health. The program is currently at a stage where dwindling support can stifle new entries into the field and limit the use of the very extensive interest and research resources within the universities.

To correct this problem, we recommend an increase of 10% in the budget for individual (R01) research grants.

2) The training program has developed reasonably well. After early growth, followed by some very slender years, it has reached a more adequate level of support but is still short of actual levels that would permit needed training of scientists skilled in this field.

To restore the reduction in the President's budget and provide a modest increase, we recommend that the FY 1985 training funds be increased to 7.5 million dollars.

3) The excellent intramural program now has access to the new laboratory space for NIEHS at Research Triangle Park but requires additional funding to permit fuller use of the facilities and continued development.

For this purpose, we recommend a 10% increase in the Intramural Research Budget for FY 1985.

I wish to thank the committee for very strong support in the past. I also hope that you will be able to continue the development of the environmental health field in a solid and orderly way, commensurate with the needs of the country for continued growth in new technology, safely and without hazard.

Thank you.

STATEMENT OF DR. ALFRED HELLER, PH.D., PROFESSOR AND CHAIRMAN, DEPARTMENT OF PHARMACOLOGICAL AND PHYSIOLOGICAL SCIENCES, UNIVERSITY OF CHICAGO

I would like to thank the Subcommittee for the opportunity of submitting for the record testimony relating to the 1985 fiscal year budget of the National Institute of General Medical Sciences (NIGMS). Allow me first to introduce myself, I am Alfred Heller, Professor and Chairman of the Department of Pharmacological and Physiological Sciences at The University of Chicago. I have held the position a[illegible]irman for the past 11 years. I received my Ph.D. in pharmacology in 1956 and my M.D. in 1960 and joined the faculty of the University of Chicago in that year. I am a member of a number of scientific societies and have served on several National Institute of Health (NIH) and National Institute of Mental Health (NIMH) Study Sections. I have most recently been a member of the National Advisory Council for the Institute of General Medical Sciences (1980-84). I have also been a member of the Editorial Board of the Journal of Pharmacology and Experimental Therapeutics and Pharmacological Reviews. I am the author of over 60 original scientific publications in reviewed scientific journals. A copy of my curriculum vitae is appended for your use.

I believe that I can speak with some degree of objectivity about the NIGMS as I have personally never received support from that Institute for my own research which has been funded primarily through the NIMH. Nevertheless, I have a fairly detailed knowledge of operations of NIGMS due to my tenure on its National Advisory Council and as Director of an interdisciplinary training program in the Pharmacological Sciences at the University of Chicago for the past 10 years funded by NIGMS. As you are aware, NIGMS is the one Institute of the NIH which provides support to biomedical scientists working on scientific problems independent of any particular disease process. As such, support for this Institute is absolutely critical for advancing our basic understanding of life processes which is the underpinning for research aimed at understanding the etiology, pathogenesis, and effective treatment of human disease.

I would like to illustrate and provide support for this contention by relating to you a remarkable story involving the drug, dopamine. Dopamine is a naturally occurring substance present in both plants and animals and is believed to be important in the proper functioning of the brain. Indeed, my own research revolves around trying to understand how neurons which contain this substance as a transmitter (i.e., a chemical released by one nerve cell to signal another nerve cell) develop and make appropriate connections with other nerve cells. The loss of dopamine-containing neurons was established to be the cause of Parkinson's Disease through fundamental basic research carried out in the 1960's and 1970's both in Europe and the United States. In parallel with these investigations, this chemical substance was developed as a drug to treat cardiovascular disorders. These latter investigations were carried out by Dr. Leon I. Goldberg, currently Professor and Chairman of the Committee on Clinical Pharmacology at the University of Chicago. Dr. Goldberg's work was and is now extensively supported by the NIGMS. Working at Emory University in the early 1960's, Dr. Goldberg in the course of fundamental investigations comparing the effect of change in chemical structure of drugs with changes in their biological activity noted that dopamine exhibited a unique profile of activity on the cardiovascular system. At the appropriate doses, it was capable of making the heart pump better without raising the rate at which the heart was beating, effects not seen with other chemical compounds of this group. These studies carried out in the dog suggested that the drug could be of value in the treatment of heart failure. When Dr. Goldberg, who holds both the M.D. and Ph.D. degrees and is a trained scientist as well as a highly qualified clinician, tested dopamine as a drug in human volunteers, he found that dopamine caused an increased flow of blood through the blood vessels which supply the kidneys. In a series of pioneering investigations he established that this was a unique property of dopamine. Because of this ability to increase the flow of blood through the kidneys, dopamine is a nearly ideal drug for the treatment of shock in which the flow of blood to the kidneys is often markedly restricted resulting in the loss of kidney function and death. Through the efforts of Dr. Goldberg and other investigators dopamine is now a drug of choice for the treatment of shock and saves literally thousands of lives per year. This example of the interplay between the research at the basic and clinical level illustrates the fundamental need for support for basic research even when that research is not targeted. Specifically, the use of dopamine in clinical medicine would probably have either not occurred or been long delayed if funds had not been available for basic research on the relationship of the structure of dopamine and closely related chemicals to their biological activity.

The restriction of funds available to the NIH generally and the NIGMS specifically over the last decade or so has lead to a crisis of confidence within the biomedical research community. In order to illustrate for you the difficult situation in which basic scientists find themselves, it is necessary to describe in some detail the way in which the scarce research dollars are allocated by the NIH among the members of the scientific community. Investigators attempt to obtain research support by submitting grant applications to the NIH. These applications are reviewed by "Study Sections" which are composed of active working scientists. Each application is usually assigned to two members of the Study Section for careful reading and a judgment on the scientific merit of the application. At the meetings of the Study Sections the outlines of the proposals themselves and the scientists' opinion of their merits are presented to the entire group and all members of the Study Section discuss the scientific merit of the application. A vote is taken to determine if the application has scientific merit and if so, it is approved, if not it is disapproved. A second judgment is then made on the application as to the priority which should be given to it in terms of allocation of research dollars. Each individual scientist on the panel ranks the application numerically from 1 (highest priority) to 5 (lowest priority) using tenths of a priority score (1.5, 2.7, etc.). These numerical ratings are then averaged and multiplied by 100 to produce the priority score. The best possible priority score is 100, the worst possible priority score is 500 and the third number counts in ranking, that is to say a 175 priority score is better than a 177 priority score. The applications are then reviewed at a second level by the Council for the respective Institute, in this case by the NIGMS Council on which I served as a member for 4 years. Each member of the Council reviews the so-called "pink sheet" which are the summaries of the actions of the Study Section and contain the priority scores. It is the responsibility of the Council members to review the recommendations of the Study Section and to advise the Institute as to whether the recommendations are appropriate or whether they should be amended.

This detailed review process was designed to operate so that the most meritorious proposals receive support and the system works extremely well in rewarding scientific excellence. As long as there was a reasonable amount of money for the support of biomedical research the review process did an outstanding job of selecting those projects of high scientific merit which not only yielded important biological information, but also appeared to be of interest in terms of biomedical applications. Sufficient funds were available so that investigators were in a position to pursue new and adventerous ideas and there was sufficient time for the germination of truly original ideas many of which lead in the end to extremely practical applications. The investment of federal support over the last two to three decades in research and training by the NIH has resulted in the development of a biomedical community in this country which is the envy of the world.

A study of the history of discovery invariably leads one to the conclusion that there is nothing more "practical" than the pursuit of knowledge for its own sake. Almost all of the major advances in the diagnosis and treatment of disease resulted from the application of basic science discoveries which were in the main undertaken out of curiosity regarding the nature of the biologic process. It is in this respect that support for the NIGMS becomes most critical. The NIH review process as described above is not geared to distinguish among a series of excellent ideas and the determination of which of these will lead to revolutionary discoveries. No "Committee" of even the most brilliant scientists can determine in advance exactly which projects will lead to major advances. Good ideas must be supported and scientists must be able to pursue interesting concepts without being in the position that if a new idea or approach does not prove to be extremely important, the funding of their laboratories and frankly their scientific careers will be in jeopardy. The review process was never designed and is incapable of making distinction between priority scores of 160, 162 or 164, but such small differences can mean success or failure in funding. Study sections are no longer in a position to "take chances" on ideas that may be interesting, but not obviously productive for the future, and yet these are in many cases the most productive, yielding results which can be applied to the treatment of disease. Examples such as the discovery of penicillin and its development as a therapeutic agent or the unraveling of the genetic code would give anyone pause in predicting with absolute certainty which of a series of excellent ideas really deserves support.

The uncertainties brought on by restrictions in funding, due to insufficient budgetary support for NIGMS also create problems for the future generation of scientists who are currently being trained in our Universities. As you are aware, this kind of training is usually conducted on a one on one basis with the student working side by side with a scientist in an apprentice like arrangement. The students perceive that worthy research being conducted by their mentors is either not receiving support or their mentors are spending inordinant amounts of time in generating grant applications in an attempt to guard against the uncertainties which have crept into the review and funding process. Such an atmosphere is not condusive to encouraging the very brightest minds to enter and remain within the fields which constitute the biomedical research enterprise.

Closely related to this and impacting heavily on the programs of the NIGMS is the inadequacy of funding for training programs. In this regard, I can speak with some first hand knowledge, as I am the Director of a training program in the Pharmacological Sciences which is authorized for 15 trainees in the area of the pharmacological sciences. Because of restrictions in the NIGMS budget, we have often found ourselves scrambling to obtain private university funding to cover the stipends and tuition of students. Again, this is perceived by the students as a lack of consistent support by American society for the biomedical enterprise.

The success of the American scientific community in the last 3 decades or so was dependent upon the efforts of scientists trained just prior to and following World War II. If we do not foster the training of the succeeding generation of scientists, then the effects on scientific progress will not only be profound, but be prolonged. This is necessarily so since each succeeding generation requires training in the laboratories of outstanding scientists.

In this regard, the final issue that I would wish to discuss is the encouragement of the most outstanding young individuals to prepare themselves for careers in academic medicine by obtaining both an M.D. and Ph.D. degree. The NIGMS has long maintained a program called the Medical Scientists Training Program which helps the most outstanding young individuals to accomplish this goal of obtaining clinical and research training. Such a program is absolutely essential if we are to be able to continue to make advances in both basic science and clinical medicine such as the development of the drug, dopamine, alluded to above. Individuals who can detect important biological effects in the human patient and then return to the laboratory bench to investigate these through basic research are necessary for scientific progress in the biomedical area. Conversely, individuals who work in basic science areas, but can apply their findings in the clinical situation are likewise essential. The discipline of clinical pharmacology which attempts to develop and apply new drugs to the treatment of human disease is critically dependent upon the supply of eager, well trained individuals having both the M.D. and Ph.D. degrees. Such training requires many years and the average young clinical pharmacologist only begins his professional career in his early 30's. Clearly, such a commitment requires some sense on the part of these individuals that their efforts are appreciated and that the necessary funds will be available to them during their professional careers to enable them to carry out their programs of research and patient care.

Despite the difficulties faced by the biomedical community because of funding restrictions, NIGMS has done an oustanding job of maintaining their programs. To a great extent the continuing success of this Institute is due to the dedication of its staff who are a most responsible group of government officials. In particular, the stewardship of Dr. Ruth Kirschstein the Director of NIGMS, is a model of the manner in which a well trained and respected scientist can guide the policies of an Institute during a difficult period in its history. The Institute continues to fund the very best programs in basic sciences in this country, both in research and training and the effects of its programs will be felt far into the future. In the face of declining fiscal support for NIGMS, however, it is obvious that the job will become increasingly difficult in the future and this will discourage both the current scientific community as well as those who look to biology and medicine as a career. Such a result can hardly be considered in the national interest and deserves the most serious consideration by the Congress.

Thank you very much for allowing me to state my opinion concerning on these important issues for the record.

CURRICULUM VITAE

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Committee Memberships:	National Board of Medical Examiners Pharmacology Test Committee, 1974-1978 National Institutes of Health Pharmacology Study Section A, 1968-1972 National Institutes of Mental Health, Treatment Development and Assessment Research Review Committee - Panel C, 1978-1980 National Institutes of Health, National Advisory General Medical Council 1980-1984
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Journal Editorial Boards:	Specific Field Editor for Neuroendocrine Pharmacology for the Journal of Pharmacology and Experimental Therapeutics, 1969-1973 Editorial Board of Pharmacological Reviews, 1974-1976

Publications - Papers and Chapters

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STATEMENT OF DR. DAVID CALKINS, CHAIRMAN, HEALTH POLICY COMMITTEE, SOCIETY FOR RESEARCH AND EDUCATION IN PRIMARY CARE INTERNAL MEDICINE

I am pleased to have this opportunity to submit testimony on the fiscal year (FY) 1985 appropriation for the Department of Health and Human Services on behalf of SREPCIM -- the Society for Research and Education in Primary Care Internal Medicine. SREPCIM was founded in 1978 as an affiliate of the American College of Physicians. Our major purpose is to promote the training of physicians in primary care or general internal medicine. Most of our members, who now number about 900, serve on medical school faculties, and many are involved in the teaching of residents in general internal medicine. Accordingly, SREPCIM is especially interested in the appropriation for training grants in general internal medicine and general pediatrics, and I will confine my remarks to this aspect of the HHS budget.

In FY 1984 the Reagan Administration proposed an appropriation of only $12 million for training grants in general internal medicine and general pediatrics. Last year Dr. John Eisenberg, a Past President of our organization, appeared before this Committee when you held public hearings on that proposal. He explained to you the devastating effect which the Administration's proposed funding level would have on general internal medicine training. Apparently his message got across, because when the dust finally settled on the FY 1984 appropriation you and your colleagues in the House had allocated $17.5 million to training grants in general internal medicine and general pediatrics.

The effect of your decision has been quite positive. This year HHS will be able to fund all approved applications for residency training programs. In addition HHS will initiate a Model Faculty Development Program which will provide fellowships to train faculty in general internal medicine and general pediatrics. While HHS has had the authority to support faculty development in general internal medicine and general pediatrics for several years, it has never before had the money. SREPCIM is quite excited about this new program and would like to see it continued, a subject about which I will have more to say later.

While this Committee clearly understands the need for federal support of training grants in general internal medicine and general pediatrics, the Administration apparently does not. Their proposed FY 1985 appropriation for the Department of Health and Human Services allocates only $9.5 million to these training grants. This amount would be inadequate to support fully even those grants already approved and funded in prior years. Under the proposed Reagan budget HHS could award no new training grants in FY 1985. The potential impact of such a funding level on residency training in general internal medicine and general pediatrics is obvious.

SREPCIM urges you to sustain the progress which has resulted from your decision of last year and to this end suggests an appropriation of $20 million for training grants in general internal medicine and general pediatrics in FY 1985. At the risk of preaching to the converted, let me remind you of the important contribution made by these grants and explain the rationale behind our FY 1985 request.

The central purpose of training grants in general internal medicine and general pediatrics is the support of a new kind of residency training, training which prepares young physicians to deliver high quality, cost-effective primary care services. Let me describe briefly the content of residency training in general internal medicine.

General internal medicine residency training differs from traditional internal medicine training in several important ways:

- More teaching occurs in an ambulatory setting. In a traditional internal medicine residency, about 10 percent of a resident's experience is in an ambulatory setting. In the general internal medicine programs supported by federal training grants, more than 25 percent of training takes place in such settings.

- General internal medicine programs emphasize continuity of care, as well as care which is comprehensive. Residents in these programs acquire skills in areas such as psychiatry, dermatology, orthopedics, and office gynecology, areas which are not part of traditional internal medicine training. Thus, they are able to manage the vast majority of problems encountered in ambulatory adult patients without referrals to subspecialties.

- Residents are taught principles of health maintenance. They work with other health professionals, including nutritionists and nurse practititioners, to counsel patients regarding diet, exercise, and other health-related behaviors. Thus, general internal medicine residents are able to help patients stay healthy as well as treat them when they are ill.

- General internal medicine training emphasizes cost-effective approaches to health care. Residents learn when to use laboratory tests as well as when not to use them. They also learn that many medical problems can be managed on an ambulatory basis, avoiding the need for expensive hospitalization.

- Perhaps most important, residents in these programs learn through experience and example that a career in primary care can be intellectually and personally rewarding - and they stay with it.

While the principal purpose of the training grants has been to support the education of general internal medicine residents they have had other desirable effects. They have been a major stimulus to the development of divisions of general internal medicine within departments of medicine throughout the United States. A 1979 survey of major teaching hospitals found that 77 percent had divisions of general internal medicine. Nearly half of these units had been established since 1976, when training grants first became available. The growth of these divisions has continued. A survey done this year by SREPCIM shows that there are now 140 divisions or sections of general internal medicine in U.S. medical schools, nearly twice as many as in 1979.

The faculty who staff these divisions play a critical role within their hospitals and medical schools:

- Faculty in divisions of general internal medicine spend almost half their time in direct patient care, usually in hospital-based clinics or group practices. These clinics are an important source of ambulatory care, especially for the poor. The presence of full-time faculty in such clinics has led to improvements in both the quality and efficiency of services.

- Faculty in divisions of general internal medicine, spend about a third of their time teaching in ambulatory and inpatient settings. They supervise residents in traditional internal medicine programs as well as those in primary care. General medicine faculty train residents in health promotion and disease prevention, as well as cost-effective approaches to health care, areas which traditionally have received limited attention in residency programs.

- General internal medicine faculty serve as important role models for medical students, interns, and residents. Studies indicate that medical school faculty have a significant influence on the career choice of physicians in training. The dominant role model on most medical school faculties is the subspecialist. The academic general internist offers trainees, including those in traditional internal medicine programs, an alternative.

The development of general internal medicine residency training programs and faculty divisions of general internal medicine would not have been possible without federal grant support. Our current practices of paying physicians and hospitals encourage the development of faculties dominated by subspecialists and residency training programs focused on technology-intensive inpatient services. By explicitly funding ambulatory care teaching, the residency training grants have provided departments of medicine with an incentive to add to their ranks faculty interested in general medicine and residents whose training includes substantial ambulatory care.

The growth of general internal medicine residency programs and divisions of general internal medicine has created a demand for more general medicine faculty. Unfortunately, few programs exist to prepare general internists for careers as medical teachers. I mentioned earlier that HHS recently initiated a Model Faculty Development Program in general internal medicine and general pediatrics. This program is badly needed. SREPCIM's suggested appropriation of $20 million in FY 1985 would provide about $2 million to continue this program, as well as another $18 million to fund all approved residency training grants. We hope that in your report on the FY 1985 appropriation you will encourage HHS to continue this faculty development effort.

During the mid-1970's this Committee saw the need for an expansion in the supply of primary care physicians. You responded by funding grants for residency training in general internal medicine and general pediatrics, as well as family medicine. The need for more primary care physicians has since been underscored in reports by the Institute of Medicine, the U.S. General Accounting Office, and others. The grants which you have supported have allowed hospitals and medical schools to begin meeting this need. I urge you to provide the resources necessary to continue this important effort in 1985.

Thank you again for this opportunity to present our views.

STATEMENT OF LESLIE T. WEBSTER, JR., PROFESSOR OF PHARMACOLOGY, SCHOOL OF MEDICINE, CASE WESTERN RESERVE UNIVERSITY

Synopsis

Progress in combating human disease requires a sustained national commitment to support non-categorized basic biomedical research and predoctoral training of future talented biomedical scientists. The National Institute of General Medical Sciences (NIGMS) in particular is charged with implementing this dual objective, but this institute will not have adequate resources to perform its task unless the Administration's FY 1985 budget is increased. Augmentation of the budget, especially for competing and non-competing individual research grants and for predoctoral research training, is strongly recommended.

Thank you for allowing me as a private citizen to testify in support of increasing the Fiscal Year 1985 Appropriation for the National Institute of General Medical Sciences (NIGMS). I am Leslie T. Webster, Jr., Professor and Chairman of the Department of Pharmacology at Case Western Reserve University School of Medicine in Cleveland, Ohio. My background is summarized in the curriculum vitae appended to this statement. Briefly, I was trained as a physician and specialist in liver diseases and have been certified by the American Board of Internal Medicine. I received over 3 years of postdoctoral training in biochemistry and have held primary full-time faculty appointments in both clinical and basic science departments since 1955. I was Professor and Chairman of the Pharmacology Department at Northwestern University Medical and Dental Schools in Chicago for 6 years before assuming my present position in 1976. I now serve as director of our institution's Medical Scientist Training Program and Pharmacological Sciences Training Program, each supported by a National Research Service Award administered by the NIGMS. My research publications since 1955 have spanned diverse areas such as mechanisms of coma in severe liver disease, basic enzymology, drug metabolism and the pharmacology of drugs affecting certain parasites and the immune system. Over the years, my research and scientific training have been supported by grants from the NIH, the Rockefeller Foundation and the World Health Organization. I have served in various capacities as a consultant for the National Institute of General Medical Sciences, the National Institute of Arthritis, Diabetes and Digestive and Kidney Diseases, the Division of Research Grants, and the World Health Organization.

Because the NIGMS is uniquely responsible for sponsoring non-categorical research and predoctoral research training in the basic biomedical sciences, I feel it is extremely important that this institute receive adequate funding to fulfill its obligation.

It is vital that this country retain its leadership in the basic sciences related to medicine. I believe the key to this accomplishment is a vigorous, persistent effort in basic biomedical research, irrespective of its perceived immediate practical application to disease. The NIGMS, of all the institutes of the NIH, is responsible for carrying out this mandate. By fostering basic biomedical research, the NIGMS also facilitates the efforts of the other institutes. Thus, its programs provide the fundamental knowledge base on which progress in more system or disease-targeted research depends.

Other scientists far more qualified than I have provided expert testimony concerning the tremendous applications of basic recombinant DNA and hybridoma technologies to clinical medicine. Instead, let me cite two examples that illustrate the importance of basic bioscience in my own pharmacological research. Years ago, clinical investigators had observed that substances containing or producing ammonia could induce the serious complication of coma in patients with severe liver disease. From reading the basic science literature, I was then made aware that ammonia was produced from certain substances in rodents by the action of bacteria living in the large intestine. Furthermore, treatment of these animals with an antibiotic decreased the production of ammonia by killing some of the intestinal bacteria. This basic observation provided my rationale for treating some patients with severe liver disease with an antibiotic in order to lower the level of toxic ammonia in their blood. Fortunately, the clinical experiment proved successful. This finding then led other investigators to develop an antibiotic treatment regimen for liver coma which was used for years to help patients with this disorder. At another time, I was fortunate to be present at a scientific seminar given by a colleague and friend where he told the audience that a particular antiparasitic drug given to mice caused suppression of the animals' immune system. From his description, I formulated the idea that the antiparasitic drug had to be converted to another compound which actually produced the immunosuppression. Several years later we isolated and characterized the immunologically active chemical which in fact turned out to be a metabolite of the original antiparasitic drug. The active metabolite is a prototype of a new class of immunoactive agents, the properties of which we are now investigating. This compound also has clinical potential for the prevention or treatment of certain immunological conditions or diseases.

I hope these two modest examples from my own experience serve to emphasize the intimate relationship between basic biomedical science and its practical application to medicine. Unfortunately, we scientists cannot predict with accuracy where the next major scientific "breakthrough" will come. Hence, a substantial commitment to basic biomedical research appears both prudent and desirable.

This country cannot expect to maintain its leadership in biomedical research without producing a continuous supply of talented, energetic and well-trained young scientists. The NIGMS plays a crucial role in this process, predominantly by sponsoring the predoctoral training of such individuals. Specifically, this institute administers National Research Service Award programs for predoctoral training of cell and molecular biologists, molecular geneticists, pharmacologists, physiologists and biomedical engineers. Two other predoctoral programs deserve special mention. The first is the Minority Access to Research Careers (MARC) Program which attracts minority students to biomedical science. The second is the Medical Scientist Training Program (MSTP) which provides combined M.D.-Ph.D. training for future physician-scientists. As a director of one of the 24 NIGMS-sponsored MSTPs in the country, I can assure you that this program captures some of our most brilliant and motivated young people. These individuals have the potential to become outstanding scientific and academic leaders and will help fulfill the well-publicized national need for clinical investigators. The predoctoral training of these combined degree students is long and arduous; it usually takes 6-7 years to complete both the Ph.D. and M.D. portions of the program. Another 4-5 years of postdoctoral training usually is required before the individual develops his or her independent research program. Thus, the "payoff" for this country's investment in research training is delayed in time and the impact of curtailing such training will not be felt immediately. By the same token, a deficiency of highly trained scientists cannot be rapidly corrected by a sudden infusion of extra resources.

In my opinion, the Administration's FY 1985 budget request for the NIGMS is insufficient to retain a healthy research and training enterprise in bioscience. If that budget is implemented, research of very high quality, as judged by the highly competitive peer review process, will not be supported and some exceptional young people will be discouraged from pursuing scientific careers. The Congress has taken action to prevent this type of situation in the past and I deeply hope it will decide to do so again.

Thank you again for the opportunity to make this statement.

Leslie T. Webster, Jr.

Personal Data:

Birthdate: March 31, 1926 in New York, New York
Married: Alice Holland, 1955
Children: Four
Home Address: 2728 Leighton Road, Shaker Heights, Ohio 44120
Business Address: Dept. of Pharmacology, School of Medicine, Case Western Reserve University, Cleveland, OH 44106
Social Security No.: 124-28-9535

Education:

- Amherst College, Amherst, Mass., 1943-1944 (B.A.)
- Union College, Schenectady, N.Y., 1944 (8 mos.)
- Harvard Medical School, Boston, Mass., 1944-1948 (M.D.)

Professional Experience:

- Rotating Intern and Jr. Asst. Resident in Medicine, Cleveland City Hospital, 1948-50
- Lieut. j.g. and Lieut., Med. Corps. USNR, 1950-52
- Asst. Resid. in Med., Bellevue Hosp., NYC, 1952-53
- Research Fellow in Med., Harvard & Boston City Hosp., Thorndike Memorial Laboratory, Boston, 1953-55
- Demonstrator in Med., Western Reserve Univ., School of Med., 1955-56
- Instructor and Russell M. Wilder Fellow in Med., W.R.U., 1956-57
- Research Assoc. in Biochemistry, W.R.U., Cleveland, 1957-59
- Senior Instructor in Biochemistry, W.R.U., Cleveland, 1959-60
- Asst. Prof. of Med. and Asst. Prof. of Biochem., W.R.U., 1960-65
- Asst. Prof. of Pharmacol. and Asst. Prof. Med., W.R.U., 1965-67
- Visiting Scientist, Biochem. Dept., Oxford Univ., U.K., 1966-67
- Assoc. Prof. of Pharmacol. and Asst. Prof. of Med., Case Western Reserve Univ., 1967-70
- Prof. of Pharmacol. and Chairman of the Dept., Northwestern University Medical and Dental Schools, 1970-76
- John H. Hord Professor of Pharmacol. and Chairman of the Department, Case Western Reserve University School of Medicine, 1976-
- Prof. of Med., C.W.R.U., School of Medicine, 1980-

Fellowships and Honors:

- Russell M. Wilder Fellow, Nat'l Vitamin Found., 1956-59
- Senior Research Fellow, U.S.P.H.S., 1959-61
- Research Career Development Awardee, U.S.P.H.S., 1961-69
- Josiah Macy Jr. Faculty Scholar Award, 1980-81
- Sc.D., (Honoris causa), Amherst College, 1982

Licensure:

- Massachusetts License #24040 October 21, 1954
- Ohio License #19941 January 25, 1955

Professional Societies:

- Diplomate of the American Board of Internal Medicine, 1957
- American College of Physicians, 1958 (Life Member)
- American Society for Clinical Investigation, 1963
- American Society for Biological Chemists, 1964
- American Society for Pharmacol. and Exptl. Therap., 1972

Selected Special Appointments:

- Member, Gastroenterology & Nutrition Training Grants Committee, Nat'l. Inst. of Arthritis & Metabolic Diseases, N.I.H., 1965-69
- Consultant (ad hoc), National Institutes of Health
  - Nat'l. Institute of Arthritis, Metabolism and Digestive Diseases, 1971-
  - Division of Research Grants, 1976-
  - National Institute of General Medical Sciences, 1980-
- Member, Administrative Board, Council of Academic Societies, Assoc. of Amer. Med. Coll. (AAMC), 1973-75; Reelected, 1975-78

-Member, Advisory Committee, ACE-AAMC-Rand Project on Federal Health-Related Research Expenditures, 1975-76

-Member, Scientific Working Group on Schistosomiasis, Special Programme for Research and Training in Tropical Diseases, World Health Organization. Member, Steering Committee, Scientific Working Group for Schistosomiasis, 1977-83; Chairman, Steering Committee, Subsection on Chemotherapy and Biochemistry of Schistosomiasis, 1979-83.

-Member, Executive Committee, The Great Neglected Diseases Network, Rockefeller Foundation, 1978-

-Member, National Academy of Sciences, Report Review Panel, "The PHS Study of Reye Syndrome: An Initial Evaluation," 1983-

University Appointments: -Director, Pharmacological Sciences Training Program, Nat'l Inst. General Medical Sciences, 1977-

-Director, Medical Scientist Training Program, Nat'l Inst. General Medical Sciences, 1979-

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Letter From Carol Ho, Medical Librarian, St. Clair Hospital

April 23, 1984

Senator Lowell P. Weicker, Jr., Chairman
Subcommittee on Labor, Health and Human Services, Education and Related Agencies
SD-131 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Weicker:

I request that this letter be made part of the official hearings record.

The need to increase the National Library of Medicine's FY 1985 budget in the neighborhood of $7,000,000 is paramount to accomodate the need for computerization, and other programs. The Regional Medical Library program of which I am a participating community hospital library has been absolutely essential for the dissemination of current medical information to the grass roots community practitioners. The Integrated Academic Information Management System (IAIMS) will help transform today's academic libraries into integrated information management centers. These as well as the basic mandatory costs account for most of the increase for the National Library of Medicine funding.

Dr. Schoolman, Acting Director of National Library of Medicine, who has appeared before the House and Senate Subcommittees would be happy to answer any questions you might have.

Sincerely,

Carol Ho

Carol Ho
Medical Librarian

Letter From Ursula H. Poland, Librarian, Schaffer Library of Health Sciences, Albany Medical College of Union University

23 April 1984

Senator Lowell P. Weicker, Jr., Chairman,
Subcommittee on Labor, Health and Human Services,
Education and Related Agencies
SD-131 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Weicker,

I wish to endorse the need to increase appropriations for the National Library of Medicine and the Medical Library Assistance Act for 1985.

While the President's budget has been increased by $1,100,000 from 1984, it falls short by $7,000,000 of the $58,000,000 needed to carry out the NLM's mandates. Not only does NLM need to continue the programs that underpin basic medical information services nationwide (MEDLARS III, Regional Medical Library Programs, National Medical Audiovisual Center, Resource Grants, etc.) but it needs to provide the stimulus for further research and development in medical informatics and Integrated Academic Information Management Systems (IAIMS).

To illustrate that the National Library of Medicine's programs "make a difference" I wish to cite the development of audiovisual learning resources for hospitals and other health care facilities in this particular area of New York State, begun by two groups, centered on Albany Medical College and Ellis Hospital, Schenectady, respectively. The first developed an outreach program to seven area hospitals, with initial assistance from a two year NLM resource project grant (1977/78); the second developed cooperative AV services among hospitals and nursing homes and currently assisted by a two year NLM resource project grant until August 1984. Membership in the second group has grown from zero to an expected circulation of over 1,200 items next year.

I urge you to support the needs of the National Library of Medicine by appropriating the $58,000,000 it needs for 1985. It is the emphasis on automation that warrants the increase.

Please enter this letter as part of the official hearing record.

Sincerely,

Ursula H. Poland

Ursula H. Poland
Librarian

Letter From Carolyn Kopper

April 20, 1984

Senator Lowell Weicker, Jr.
Chairman of the Subcommittee on Labor, Health
and Human Services, Education, and Related
Agencies
SD-131 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Sir:

As a concerned voter, I am writing you to express my support for full funding of the $58 million budget for 1985 submitted by the National Library of Medicine (NLM) to the National Institutes of Health. Full funding of NLM's budget will enable NLM to provide Americans with improved access to biomedical information. Better access to such information will save valuable time for health professionals, and will result in a higher quality of medical care. Improved medical care will ultimately translate into a savings in health care costs, since costly errors based on inadequate, inaccurate information will be reduced. Full funding of NLM's budget will also maintain the U.S. in the position of world leadership in the development of computerized biomedical information systems, a position which economically benefits Americans in this new information age.

NLM's operations and programs are extremely important and greatly benefit the American public. NLM has had the primary role in the development of computerization in biomedicine. Its role can be continued only if its operations and programs are fully funded in the future.

Please make this letter part of the official Hearings records.

Thank you very much for your consideration.

Sincerely,

LETTER FROM GERTRUDE FOREMAN, INTERIM DIRECTOR, BIO-MEDICAL LIBRARY, UNIVERSITY OF MINNESOTA

April 24, 1984

Senator Weicker,

I am writing to express my concern for adequate support for the National Library of Medicine (NLM). The President's budget for FY 1985 for the NLM is not adequate to support the mission of NLM in an age of high technology and computerization.

Information is critical to excellence in health care delivery, biomedical research and education. The need for information has been documented in many studies and reports from the Association of American Medical Colleges, the Association of American Academic Health Centers and the National Library of Medicine.

As a professional dedicated to providing timely information, I am dismayed by the President's budget figure. For adequate control and dissemination of the world's biomedical literature, we look to the NLM for innovation. The NLM has demonstrated its wise and creative leadership by planning the Regional Medical Library Network, the MEDLARS System, and the Resource Grants Program. I have witnessed the positive impact of these programs not only in our large university setting, but throughout the rural areas of our state.

Continued adequate support for the NLM is vital to health care, research and education. I respectively request that this letter be made part of the official hearings record.

Sincerely,

Gertrude Foreman

Gertrude Foreman,
Interim Director
Bio-Medical Library
University of Minnesota

LETTER FROM PRISCILLA M. MAYDEN, DIRECTOR, HEALTH SCIENCES LIBRARY, UNIVERSITY OF UTAH

April 20, 1984

Senator Lowell P. Weiker, Jr., Chairman
Subcommittee on Labor, Health and Human
Services, Education and Related Agencies
SD-131 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Weiker:

As Chairman of the Senate Subcommittee on Labor, Health and Human Services, I am writing to you to urge support for the original Fiscal Year 1985 budget request of the National Library of Medicine (NLM) which is $58,000,000.

The mission of NLM is dissemination of the world's biomedical literature which the library accomplishes superbly year after year. Always in the forefront of information technology, NLM has pioneered an online health sciences information network that places current medical knowledge at the fingertips of physicians and health professionals throughout the nation regardless of location.

Development of MEDLARS III, the biomedical database from which MEDLINE and many other online informational services derive is vital to improvement of our nation's health care. Thousands of times daily MEDLINE is accessed for information by physicians, nurses and medical librarians in the U.S. and abroad.

More recently my own institution, along with three other academic health sciences libraries (Columbia University, University of Maryland and Georgetown University), has been recipient of an NLM contract to plan the long-range development of an integrated academic information management system (IAIMS). Using increasingly sophisticated technology, NLM has challenged us to plan and design a system to link patient care information, organizational and management data, research and academic information which will serve an entire health science center, an immensely complex operation.

NLM through an innovative program of grants and contracts offers incentive to institutions to cost share and to plan. Long-range plans for IAIMS now developing at these several institutions will become prototypes for countless others in the future.

If a government agency ever deserved maximum support it is NLM which performs its mission with efficiency, economy and excellence.

I respectfully request that this letter become a part of the hearings record.

Thank you for your consideration.

Sincerely,

Priscilla M. Mayden
Priscilla M. Mayden
Director

LETTER FROM JUNE E. BANDEMER, ASSISTANT DIRECTOR LEGISLATION CHAIRMAN, PITTSBURGH CHAPTER, MEDICAL LIBRARY ASSOCIATION

April 19, 1984

Senator Lowell P. Weicker, Jr., Chairman,
Subcommittee on Labor, Health and Human Services,
Education and Related Agencies
SD-131 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Weicker:

This is to urge that you support the request by the National Library of Medicine for a budget of $58,000,000 for FY 1985. This increase of $7,000,000 is vitally needed for NLM to continue in the forefront of automation in the health sciences field.

The National Library of Medicine basic mission to control and disseminate the world's biomedical literature has been greatly expanded by MEDLINE and other online services as well as by the Regional Medical Library program to provide document delivery, reference service and training to basic health science libraries. Because of these programs the results of biomedical research are more effectively and quickly transmitted to health professionals and ultimately benefit patient care.

NLM now needs to expand its automation to its own functions and to other uses of computers in medicine including the Integrated Academic Information Management System (IAIMS), a prototype network system for integration of information technologies in the learning and practice of health professions.

Thank you for your consideration of this request. This letter should be part of the official hearing record.

Sincerely yours,

June E. Bandemer
Assistant Director
Legislation Chairman,
Pittsburgh Chapter,
Medical Library Association

LETTER FROM W. LANCE GEORGE, M.D., ASSISTANT CHIEF, INFECTIOUS DISEASE SECTION, VETERANS ADMINISTRATION WADSWORTH MEDICAL CENTER

April 20, 1984

Senator Lowell P. Weicker, Jr., Chairman
Subcommittee on Labor, Health and Human Services,
Education and Related Agencies
SD-131 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Weicker:

I am a physician on staff here at the VA West Los Angeles Medical Center. I am involved in training young phusicians and in caring for patients with Internal Medicine and Infectious Disease problems. In addition, I am the Director of the Clinical Microbiology and Serology laboratories of the hospital and am actively involved in clinical research. I use the National Library of Medicine's services through our local medical library frequently in my research and patient care related activities. I find NLM's services indispensable - the computer database called MEDLINE saves me hours of laborious hand research, the book collection is clearly the best in the world, and I know that my library can obtain almost any journal literature that I need through NLM's system of sharing networks. The volume of medical knowledge is so vast and the rate of increase of that knowledge is so great that the NLM's services, including computer based retrieval systems such as MEDLINE, are essential.

Therefore I am dismayed to learn of the present Administration's plans to cut the National Library of Medicine's budget in FY'85 from $58 million to $51 million. It is my feeling that, given how expensive medical health care is now, the funds in question are well spent on quality health care information delivery. NLM saves the taxpayer every time a Federal-salaried physician doesn't have to re-invent the wheel by using crude literature searching techniques, or having to use tax-dollars to buy books and journals instead of borrowing from NLM. Please reconsider NLM's budget request for $58 million, which is certainly in the public's interest. I should like this letter to be made part of the official hearings record.

Sincerely,

W. LANCE GEORGE, M.D.
Asst. Chief, Infectious Disease Section
VA Wadsworth Medical Center

Director of Clinical Microbiology
& Serology Laboratories
VA Wadsworth Medical Center

Asst. Professor in Residence
UCLA School of Medicine

Letter From Elaine Graham

6957 Hazeltine Avenue #5
Van Nuys, CA 91405
April 20, 1984

The Honorable Lowell Weicker
Chair
Subcommittee on Labor, Health & Human
Services, Education & Related Agencies
SD-131, Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Weicker:

I am writing in regard to the Senate hearings on the 1985 budget for the National Library of Medicine. The National Library of Medicine has requested $58 million for the 1985 budget.

As a medical librarian, I am acutely aware of the role played by the National Library of Medicine in ensuring that health professionals have access to the vital information they need for clinical practice, education, and research. The National Library of Medicine produces publications and provides services that directly enhance the ability of medical librarians throughout the nation to meet the information needs of physicians, nurses, allied health professionals, educators, and researchers.

If the National Library of Medicine is not funded for the full amount requested, its automation efforts will be jeopardized. The computerized systems already developed by the National Library of Medicine have contributed to the level of medical information available in the nation, and thus to the quality of the nation's health. The National Library of Medicine's continued implementation of new technologies, especially computerization, is necessary to maintain the nation's access to current medical information.

I urge you to support the National Library of Medicine's 1985 budget request of $58 million. Thank you for your consideration of my opinion on this issue.

Sincerely,

Elaine Graham

Elaine Graham

Letter From the Veterans Administration Medical Center, Library Service

April 24, 1984

Senator Lowell P. Weicker, Jr., Chairman,
Subcommittee on Labor, Health and Human Services,
Education and Related Agencies
SD-131 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Weicker, Jr.:

It is imperative that the proposed reduction of the National Library of Medicine's budget of 58 million to 51 million dollars not be implemented.

This loss of revenue would necessitate the curtailment of the processing and dissimination of vital and requisite information to the health care community. The computerized MEDLARS system of the National Library of Medicine provides immediate and valuable information to health care providers; thereby, creating a viable and integral function in the high health care standards and the premium health deserved and required by Americans everywhere.

We request that you incorporate this letter as part of the Official Hearing Records.

Sincerely yours,

VETERANS ADMINISTRATION MEDICAL CENTER
LIBRARY SERVICE (142D)

Connie Bak
CONNIE BAKER, Chief, Library Service

Ellen Sauder
ELLEN SAUDER, Medical Technician

Joanne Foster
JOANNE FOSTER, Medical Librarian

Joanne Metcalf
JOANNE METCALF, Medical Librarian

Letter From Mary Ellen Braafladt, Coordinator, Arrowhead Professional Library Association

April 24, 1984

Senator Lowell P. Weicker, Jr.,
U.S. Senate
Washington, D.C. 20515

Dear Senator Weicker:

I am writing to state my concern about adequate support for the National Library of Medicine. I do not feel that the President's budget for FY 1985 in the amount of $51,320,000 for the NLM is adequate to support the mission and function of NLM in an age of high technology and computerization.

The proper information delivered at the right time does indeed affect the delivery of health care and can, in the long run, save health caredollars. Computerization of health science libraries is paramount in the timely delivery of necessary information and this need has been expressed in a number of reports, primarily by the Association of American Medical Colleges, Association of Academic Health Centers and the National Library of Medicine.

The past support of NLM, with relatively low expenditure of federal monies, has achieved remarkable success and has stimulated support from non-federal sources. The passage of the Medical Library Assistance Act in 1965 has greatly changed the publication, acquisition, and delivery of health related information. This change, in turn, has affecteda very real change in the practice of medicine and delivery of health care in the United States.

Continued adequate support for the NLM is vital to the delivery of high quality cost-effective health care in the United States.

I am respectively requesting that this letter be made part of the official hearings record.

Sincerely yours,

M. E. Braafladt

Mary Ellen Braafladt
Coordinator
Arrowhead Professional Library Assn.

Letter From Laurabelle Eakin, Director, Falk Library of the Health Sciences, University of Pittsburgh

April 19, 1984

Senator Lowell P. Weicker, Jr., Chairman
Subcommittee on Labor, Health and Human Services,
Education and Related Agencies
SD-131 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Weicker:

I am writing to you to urge you to support NLM's request for $58,000,000. The additional $6,680,000 is needed if NLM is to continue to lead the medical library field in getting medical information to the physicians regardless of where they may be practicing. The dissemination of the medical literature to physicians in areas where no large medical library is readily available to them is vital to the health of our nation.

The research and development of the new "Integrated Academic Information Management Systems" (IAIMS) is needed so the physicians can deliver better patient care in all hospitals. The cost to the physician for such necessary information is negligible - access to a computer terminal and telephone line charges.

Thank you for your sincere interest in the ultimate use of these monies - better health care for all the peoples of this country.

Sincerely yours,

Laurabelle Eakin

Laurabelle Eakin
Director

LETTER FROM PAUL R., M.D., AND JOAN ASH

2300 Summit Court
Lake Oswego, Oregon 97034

April 20, 1984

The Honorable Lowell P. Weicker, Jr., Chairman
Subcommittee on Labor, Health and Human Services
Education and Related Agencies
SD-131 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Weicker:

I am writing to urge passage of a budget of $58,000,000 for the National Library of Medicine. The NLM is much more than a storehouse of medical knowledge: it is the national leader in discovering improved methods of disseminating medical information. Its leadership role has been evidenced by the first true library network, the Regional Medical Library Network, by the first online database search service, MEDLARS/MEDLINE, and more recently by its innovative research and development activities in the areas of prototype automated library systems (the ILS), educational technology, and the IAIMS projects. With the exciting developments planned for MEDLARS III, health sciences libraries across the nation are once again expecting great advances which will impact them directly. Adequate funding for NLM is important to those of us at the grassroots level, both in libraries and private medical practice, because it is one of the few government agencies providing us direct, tangible, benefits. For example, in Oregon an NLM Resource Project grant seeded what is now a very vital hospital library network. Only if the $58,000,000 budget submitted by NLM is funded can we in the far corners of the country continue to hope for innovative technological (and therefore geographically independent) solutions from NLM to health information delivery problems.

Please assure that this letter is made part of the official hearings record.

Respectfully yours,

P. Ash

Paul R. Ash, M.D.

Joan Ash

Joan Ash

Statement of Marianne Davis

As a medical librarian, I use the products of the National Library of Medicine almost every day in my work to help physicians at the V.A. Hospital get the very best information possible to treat our veterans. NLM's products, such as the computer database called MEDLINE, give us access to books, magazine articles, videotapes, and reference work on health issues in a matter of minutes -- which can be critical when somebody's health is at stake. Every time I can do a MEDLINE computer search for a physician I am saving him, on the average, three to four hours of laborious sifting through indexes and random magazines -- I can find articles for him on what he needs in a matter of minutes. I can find out if there are other researchers doing experimental cancer treatments somewhere else in the country, I can find out information on what the toxic effects of a drug is, I can find out if I can borrow a $300.00 medical text from the National Library of Medicine that nobody else owns.... all this from NLM's databases and fabulous collection of books & journals.

Therefore I am very upset about the fact that NLMS budget request for $58 million has been cut by $7 million. Do you realize that every time NLM spends $10.00 on a book, it saves countless other libraries in the country having to spend the same amount? We all borrow and share from the National Library of Medicine; we all rely on their databases to save us from re-inventing the wheel when we look for information out here in the field. If anything, NLM should be funded for more programs than it carries on now -- our system is unique in the world, and is acknowledged by all our foreign colleagues as the best in the world. I urge your Committee to reconsider this budget cut -- don't damage a system that serves its purpose so beautifully. If any cause is in the public's interest, this is.

Thank you for your consideration.

Letter From Mary Blackwelder, Coordinator of User Services, Medical College of Wisconsin Libraries

April 18, 1984

Senator Lowell Weicker, Jr., Chairman
Subcommittee on Labor, Health and Human Services,
Education and Related Agencies
S-D 131 Dirksen Senate Office Bldg.
Washington, D.C. 20510

Dear Senator Weicker:

I am writing to state my concern about adequate support for the National Library of Medicine. I do not feel that the President's budget for FY1985 in the amount of $51,320,000 for the NLM is adequate to support the mission and function of NLM in an age of high technology and computerization.

The proper information delivered at the right time does indeed affect the delivery of health care and can, in the long run, save health care dollars. Computerization of health science libraries is paramount in the timely delivery of necessary information and this need has been expressed in a number of reports, primarily by the Association of American Medical Colleges, the Association of Academic Health Centers and the National Library of Medicine.

I am enclosing, for your review, a statement prepared by the Medical Library Association, endorsed by the Association of Academic Health Sciences Library Directors, and about to be endorsed by the Association of Academic Health Centers.

The past support of NLM, with relatively low expenditure of federal monies, has achieved remarkable success and has stimulated support from non-federal sources. The passage of the Medical Library Assistance Act in 1965 has greatly changed the publication, acquisition, and delivery of health related information. This change, in turn, has affected a very real change in the practice of medicine and delivery of health care in the United States.

Continued adequate support for the NLM is vital to the delivery of high quality cost-effective health care in the United States.

I am respectively requesting that this letter be made part of the official hearings record.

Sincerely,

Mary Blackwelder

Mary Blackwelder
Coordinator of User Services
Medical College of Wisconsin
Libraries

STATEMENT BY THE MEDICAL LIBRARY ASSOCIATION ON THE NEED FOR INCREASING SUPPORT OF AUTOMATED INFORMATION MANAGEMENT SYSTEMS THROUGH THE MEDICAL LIBRARY ASSISTANCE ACT

Two related phenomena are increasingly affecting the course of our lives and the ability of our society to adjust to fundamental challenges.

These two phenomena are the unabating growth of information and the revolutionary technological changes in managing the expanding knowledge data base. These two developments influence each other, so that, as information accumulates, the need as well as the technical ability to control it by means of computerization increase. This, in turn, allows for more rapid and precise access to this information, thus accelerating the growth of knowledge.

Not all sectors of society are, however, prepared to take advantage of these possibilities. One such area is the sphere of health information. Computerization of information has made only sporadic entry into the academic health sciences center, and where it has occured--in research efforts, classrooms, laboratories, some management functions and patient records, and in the library--it has tended to be isolated and uncoordinated with other functions, the totality of which should be brought to bear on the integrated effort of its faculty, researchers, health care personnel and students.

Recognition has grown that the shift from the paper age to electronic means of managing information needs to be accelerated and that the academic health sciences library, the traditional provider of health information, must be enabled to play its role in the electronic information environment in conjunction with other units having information responsibilities. This view is supported by the findings of the recently published report[1] supported by the Association of American Medical Colleges and the National Library of Medicine.

The AAMC report characterizes the present situation as one in which academic health sciences centers

- have not moved aggressively to exploit the potential presented by the electronic information revolution;
- have not extended efforts which had succeeded in improving the management of information related to business functions to the upgrading of

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[1] Matheson, Nina W. and Cooper, John A. D. "Academic Information in The Academic Health Sciences Center; Roles for the Library in Information Management" Journal of Medical Education, 57(10, pt.2); October 1982.

academic information systems; and in general have neglected to relate the daily operational records to each other or to the external information sources (publications, computerized data bases), many of which are normally transmitted by the library.

- have failed to appreciate the potential of modern information technology in equipping health care professionals "with the knowledge and skills they need to ensure proper use of computers as memory extenders, consulting knowledge systems, and decision-making aids";
- have failed, perhaps because of financial constraints, to invest resources necessary for the restructuring of their academic information support system, and to make it more efficient and cost-effective.

Failure to attend to these demands and opportunities is tantamount to neglecting the important role of management of biomedical information in maintaining the preeminence of American medicine. The report takes cognizance of the fact that in our democratic society, access to information is a cherished value, and that in medicine, specifically, this information flow is essential to successful advances in understanding and treatment of the human organism.

To approach the long-range development of networks of integrated academic information management systems (IAIMS), one of the first tasks must be enabling the academic health sciences library to function in the world of electronic information acquisition, management and transfer. The library has been the traditional and natural pivotal unit which acquired, stored and transferred the scholarly record. Its role in the future must be expanded to be the pivotal unit which will bridge the world knowledge bases and institutional information support systems, taking full advantage of modern information technology.

Once before, in the immediate past-sputnik era, medical libraries were found to be inadequate to support the scientific renaissance then taking place. Federal legislation--the Medical Library Assistance Act of 1965--made it possible for these health sciences libraries to meet their responsibilities of assembling stronger collections, disseminating information more rapidly, training librarians for the tasks ahead, and creating a network of information access points throughout the nation. Under the leadership of the National Library of Medicine many of the challenges arising from the information crisis of the 60's have been met.

The new crisis facing the scientific and medical community in the 80's caused by the unrelenting growth of information which doubles every ten years has yet to be dealt with appropriately. The tasks facing the academic health sciences center and its library are multi-year efforts, and funding must come from a variety of sources, if the twin goals of making the world's biomedical information base accessible to faculty, staff and students, and creating a coordinated network of internal information files are to be realized.

In this partnership of resource agencies, the Congress of the United States and the federal executive, in view of the importance of this enterprise of maintaining and improving the health of the people in a cost-effective manner, can be expected to take the lead, as they have so successfully in the past.

To accelerate progress in this area and to provide a basis from which individual institutions may benefit, it is considered important and appropriate that federal support be given to the development of prototype network systems, to programs which encourage the rapid integration of information technologies in the learning and practice of health professions, and to programs which attract and retain qualified people in medical information and knowledge base development in academic centers.

The involvement of federal agencies with other public, as well as private, industrial and academic sectors is a good beginning for a successful attack on a major national problem. The National Library of Medicine which has both the mission and a record of success, can serve as the catalyst and leader in linking together the nation's academic health sciences centers into a network system; however, the resources of the National Library of Medicine and of its grants program must be strengthened.

Senators Hatfield and Rudman in recognizing the urgency for action introduced amendment No. 1363 to the supplemental appropriations bill for FY1983 which was passed and which provided $5,900,000 to the Oregon Health Sciences University for the development of a Biomedical Information Communication Center. This center is regarded by Senators Hatfield and Rudman as a prototype with responsibilities of planning for, developing and implementing innovative approaches to health information management along the lines recommended by the

AAMC report. They agreed with the report also insofar as they anticipated the establishment of such prototype centers during the next few years throughout the nation.

During the past year the appropriate House and Senate Committees reported out reauthorization bills supporting the MLAA at levels of approximately $10. $11. and $12 million in FY 1984-86. At the present time this authorization has not been enacted and the medical library assistance programs continue to operate at a reduced appropriation level of $7.5 million. In order to sustain current assistance programs and provide the necessary funding to support integrated academic management information systems in at least five academic health centers. the MLAA authorization and appropriation levels for the next three years should be $12. $13. and $14 million. respectively.

LETTER FROM RAYMOND A. PALMER, EXECUTIVE DIRECTOR, MEDICAL LIBRARY ASSOCIATION, INC.

May 4, 1984

Senator Lowell P. Weicker, Jr., Chairman
Subcommittee on Labor, Health and Human Services,
Education and Related Agencies
SD-131 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Weicker:

I am writing on behalf of the Medical Library Association (MLA). MLA is a professional organization of 5,000 individuals and institutions in the health science library field. Its major purpose is to foster medical and allied scientific libraries and to promote the educational and professional growth of health sciences librarians and information specialists. The foremost concern of the Medical Library Association is the dissemination of health sciences information for those in research, education, and patient education.

Many of the goals of the National Library of Medicine (NLM) and MLA are interwoven. One of the mutual goals of these two organizations is to serve the health professionals of the nation. By legislative mandate, the NLM is responsible for collecting and preserving the world's biomedical literature and for developing the bibliographic apparatus which makes that literature accessible to those who need it. Given the fact that the biomedical literature is doubling in size every 10 to 15 years, the NLM's repository and archival functions are of marginal value unless its holdings are systematically cataloged, indexed, and made available. If the NLM were rendered unable to discharge is function of making health information available in an equitable fashion because of inadequate funding, the systematic transfer of biomedical information in support of health care would break down.

Members of the Medical Library Association would be hampered in discharging their professional responsibility of disseminating information. Academic medical centers and other health care institutions through their libraries need coordinated computer system and data base capabilities to facilitate the provision of health care information.

At the present time, there are many areas of the country which are underserved, or not served at all, with biomedical information. NLM, more than any library in the country, has been a leader in technological developments in information transfer. It requires a budget increase for FY 1985 in the neighborhood of $7,000,000.00 to accommodate greater computerization. NLM's apabilities must be further enhanced so that it will be at the "cutting edge" of infomation transfer technology. NLM also needs additional budgetary resources to stay abreast of the proliferation of biomedical information, and to improve its networking capabilities so that there are no areas in the United States where its health care personnel and its citizens, whose health needs are supported by that personnel, do not have access to the biomedical information.

Beyond the funds needed to support augmented computerization at the NLM, there is a national need to underwrite the long-range development of networks of integrated academic information management systems (IAIMS). This need has been elucidated in a report by the Association of American Medical Colleges. I attach a statement prepared and endorsed by MLA on IAIMS and request that this letter together with that statement be made part of the official hearings record in support of an adequate budget for the National Library of Medicine.

Sincerely yours,

Raymond A Palmer

Raymond A. Palmer
Executive Director

Letter From Jeanne Spala, M.L.S., Director of Library Services, Centinela Hospital Medical Center

April 20, 1984

Senator Lowell P. Weicker, Jr., Chairman
Subcommittee on Labor, Health & Human Services, Education & Related Agencies
SD-131 Dirksen Senate Office Building
Washington, D.C. 20515

Dear Senator Weicker:

I am writing to request your Committee's reconsideration of the FY85 budget for the National Library of Medicine and support for increased funding. The services this facility provides to the national network of health providers is invaluable. Daily I am accessing the MEDLINE databases for information requested to provide better patient care in our hospital and doctors' offices; any increased costs and/or curtailment of these services will negatively impact the quality of care we can provide patients.

I understand that the Federal Budget must be controlled. I am asking that cuts be made equitably. Evidence presently does not indicate that such is the case.

Please give careful thought and support for NLM's budget request for $58 million. I am also requesting that this letter be included as part of the official hearing record.

Sincerely,

Jeanne Spala, M.L.S.
Director of Library Services

LETTER FROM EDA BLOOM, PH.D., WEST LOS ANGELES VETERANS ADMINISTRATION MEDICAL CENTER

Senator Lowell P. Weicker, Jr., Chairman,
Subcommittee on Labor, Health & Human Services,
Education and Related Agencies
SD-131 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Weicker:

As a researcher on staff at the VA West Los Angeles Medical Center, I use the National Library of Medicine's services through our local medical library frequently in my research. I find NLM's services indispensable--the computer database called MEDLINE saves me hours of laborious hand research, the book collection is clearly the best in the world, and I know that my library can obtain almost any journal literature that I need through NLM's system of sharing networks.

Therefore, I am dismayed to learn of the present Administration's plans to cut the National Library of Medicine's budget in FY85 from $58 million to $51 million. It is my feeling that, given how expensive medical health care and research now are, the funds in question are well spent on quality health care information delivery. NLM saves the taxpayer every time a Federal-salaried researcher doesn't have to re-invent the wheel by using crude literature searching techniques, or having to use tax dollars to buy books and journals instead of borrowing from NLM. Please reconsider NLM's budget request for $58 million, which is certainly in the public's interest.

Sincerely,

Eda D Bloom PhD

STATEMENT OF HOLLY MILLARD, DIRECTOR, METROPOLITAN COOPERATIVE LIBRARY SYSTEM

Providing reference service for public library patrons in more than 125 public libraries in Southern California, the Metropolitan Cooperative Library System reference staff heavily relies on the computerized services and products of the National Library of Medicine. Because of keen interest of the public in their own health and medical problems, we have noted a greatly increased number of requests for information in the medical subject area. Very frequently, the Medline database of the National Library of Medicine is our only resource for locating this information. Without this research tool, much of the information needed by library patrons with serious medical concerns would remain unaccessible. We rely so heavily upon the information provided by the National Library through Medline that any cut in the budget for this service would in turn severely cut our own service to a vast public.

In order to continue the high quality of reference service available through our public libraries, we implore you not only to maintain the excellent computerized reference and indexing services now provided by the National Library, but to budget funds which will allow for a growth of these services.

The vast and complex field of medicine is very difficult to approach for information. The rapid daily changes in medical research make computerization of information essential in order that new treatments with, literally, life or death potential may be accessible by our patron, consisting of health professionals as well as the public at large. Not only to support the excellent computerized reference network now in existence, but to permit its growth along with the growth of the field of medicine, please allow no cuts in the budget to the National Library of Medicine.

LETTER FROM LINDA A. GRIX, A.M.L.S.

April 19, 1984

Senator Lowell P. Weicker, Jr., Chairman,
Subcommittee on Labor, Health and Human Services,
Education and Related Agencies
SD-131 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Weicker:

I am writing to urge your support of an increase in the FY 1985 budget for the National Library of Medicine (NLM). The President's budget for 1985 requested approximately $51 million, whereas NLM's estimated need is approximately $58 million. It is imperative that the NLM budget be set at the higher level to support several vital programs, including two high priority items: (1) computers in medicine, and (2) IAIMS (Integrated Academic Information Management Systems). Both of these programs are extremely important as we move into the world of electronic information acquisition, management, and transfer.

In addition, funding at the higher level will enable stability for several NLM-based programs that have far reaching implications for all medical libraries. An example is the development of MEDLARS III, which will facilitate even greater access to computerized literature retrieval systems already directly accessed by over 2,000 health science libraries on behalf of countless health care practitioners and students. Another example is the Regional Medical Library network, headed by NLM, which organizes health science libraries across the country and facilitates the flow of information between libraries and to health care providers wherever they might be located.

Please support an increase in the FY 1985 budget for the National Library of Medicine to at least $58 million!

Sincerely yours,

Linda A. Grix

Linda A. Grix, A.M.L.S.
3650 Kiekebusch Ct.
Carmichael, CA 95608

P.S. I would appreciate your including this letter as part of the official hearings record. Thank you!

Letter From Valerie Florance, Documents Librarian and Editor, MEDOC, University of Utah

Senator Lowell P. Weicker, Jr.
Chair, Subcommittee on Labor, Health
and Human Services, Education and Related
Agencies, Senate Appropriations
SD-131 Dirksen Senate Office Building
Washington, D.C. 20510

23 April 1984

Dear Senator Weicker:

I am writing concerning the FY 1985 appropriations for the National Library of Medicine. As I understand it, President Reagan requested $51,320,000, while the National Library of Medicine estimated a need of approximately $58,000,000. I strongly urge you to support an increase of the President's recommendations to assure continuation of important projects currently being funded by NLM.

For nearly two decades, the National Library of Medicine has been a leader in the development of computerized information systems. This leadership has been expressed both in the design and execution of important NLM-based systems (like MEDLARS) and in the funding of a wide range of innovative research and development projects around the country.

The IAIMS projects currently being funded by NLM grants are absolutely crucial to the development of timely, efficient systems for accessing and disseminating biomedical information. The future of research in all areas of health sciences will be immeasurably brighter for the groundwork which these projects provide. Reduction of the NLM's budget request could impede these fledgling programs at the most destructive moment.

Beyond the major, national-level impact NLM has had in the field of information, many important local and regional projects have been supported by the Resource Grant program. Here at the University of Utah, we produce MEDOC: INDEX TO U.S. GOVERNMENT PUBLICATIONS IN THE MEDICAL AND HEALTH SCIENCES, an important health sciences library reference tool which is sold on subscription to libraries around the world.

The development and continuing redesign and improvement of MEDOC have been sponsored by NLM Resource Grants. Without that financial underwriting, the index would probably never have gotten off the ground, and would certainly not be available at its current low cost.

I strongly urge you and your committee to reconsider the proposed appropriation for the National Library of Medicine and to authorize the full $58,000,000, so that the NLM can continue its leadership role in medical informatics.

Sincerely,

Valerie Florance

Valerie Florance
Documents Librarian and
Editor, MEDOC

LETTER FROM T. MAKINODAN, WEST LOS ANGELES VETERANS ADMINISTRATION MEDICAL CENTER

Senator Lowell P. Weicker, Jr., Chairman,
Subcommittee on Labor, Health & Human Services,
Education and Related Agencies
SD-131 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Weicker:

As a researcher on staff at the VA West Los Angeles Medical Center, I use the National Library of Medicine's services through our local medical library frequently in my research. I find NLM's services indispensable--the computer database called MEDLINE saves me hours of laborious hand research, the book collection is clearly the best in the world, and I know that my library can obtain almost any journal literature that I need through NLM's system of sharing networks.

Therefore, I am dismayed to learn of the present Administration's plans to cut the National Library of Medicine's budget in FY85 from $58 million to $51 million. It is my feeling that, given how expensive medical health care and research now are, the funds in question are well spent on quality health care information delivery. NLM saves the taxpayer every time a Federal-salaried researcher doesn't have to re-invent the wheel by using crude literature searching techniques, or having to use tax dollars to buy books and journals instead of borrowing from NLM. Please reconsider NLM's budget request for $58 million, which is certainly in the public's interest.

Sincerely,

T Makinodan

LETTER FROM DIANE E.P. JOHNSON, INFORMATION SPECIALIST

10201 Mason Ave., No.96
Chatsworth, CA 91311

Dear Senator Weicker,

As a medical information specialist, I am writing to express my concern over the proposed cut in the budget of the National Library of Medicine (NLM), from $58 to $51 million for FY85. This cut would seriously and adversely affect the Library's ability to ensure the availabilty of timely, high-quality biomedical information to the nation's health care providers and researchers. The health-related research budgets of Federal institutions total in the billions of dollars, yet the results of that research are useless unless they are disseminated, read, and applied. The scientific journal literature is the primary avenue for that dissemination; the computerized databases of NLM, backed by the Library's comprehensive collection and generous lending policies, play the lead role in the United States in ensuring the distribution and accessibility of information from that scientific literature.

For years, librarians have served to provide access to those databases; that service has been heavily used and appreciated. More recently, health providers and researchers have begun to access those databases directly, making information accessible in an even more timely manner. The proposed $7 million cut would disrupt the Library's continued computerization efforts and impede the rapid flow of medical information. I earnestly hope that Congress will not approve the cut.

I would appreciate your adding this letter to the official hearings record. Thank you for your attention.

Sincerely yours,

Diane E.P. Johnson

Diane E.P. Johnson
Information Specialist

LETTER FROM F. RAYMOND LONG, ASSISTANT UNIVERSITY LIBRARIAN, BIOMEDICAL LIBRARIES, UNIVERSITY OF CALIFORNIA

April 20, 1984

The Honorable Lowell P. Weicker, Jr., Chairman
Subcommittee on Labor, Health and Human Services,
Education and Related Agencies
SD-131 Dirksen Senate Office Bldg.
Washington, D.C. 20515

Dear Senator Weicker,

I have just been informed that the National Library of Medicine's budget request for FY85 has been reduced from $58 million to $51 million. It is my understanding that the $7 million is needed to support computerization as well as other services upon which health science libraries, health fessionals and many others rely.

The services provided to health sciences libraries by the National Library of Medicine are invaluable. These services permit us to serve not only our immediate community of users much more effectively but also to extend these services to the community at large. Access to the literature of medicine and its related areas through computerized databases provides rapid and comprehensive access to information. With the continuing explosion of information, this computerized access is often very critical for patient care and/or education, research, and education. Other services, such as printed indexes and Interlibrary Loan, are heavily relied upon on a daily basis. Without the various services provided by the National Library of Medicine, health science libraries would be seriously impaired in their ability to provide quality service to all library patrons.

I ask you to reconsider the $7 million reduction in the National Library of Medicine's budget for FY85 as the impacts will be far reaching for health science libraries. Also, I would like this letter to be included as part of the official record.

Sincerely,

F Raymond Long

F. Raymond Long
Assistant University Librarian
Biomedical Libraries

Letter From Doris Ignatius, Science Librarian, College of St. Scholastica

23 April 1984

Senator Lowell P. Weicker, Jr., Chairman,
Subcommittee on Labor, Health and Human Services,
Education and Related Agencies
SD-131 Dirksen Senate Office Building
Washington, D.C. 20510

Sir:

I am writing to state my concern about adequate support for the National Library of Medicine. I do not feel that the President's budget for FY1985 in the amount of $51,320,000 for the NLM is adequate to support the mission and function of NLM in an age of high technology and computerization.

The proper information delivered at the right time does indeed affect the delivery of health care and can, in the long run, save health care dollars. Computerization of health science libraries is paramount in the timely delivery of necessary information and this need has been expressed in a number of reports, primarily by the Association of American Medical Colleges, the Association of Academic Health Centers and the National Library of Medicine.

The past support of NLM, with relatively low expenditure of federal monies, has achieved remarkable success and has stimulated support from non-federal sources. The passage of the Medical Library Assistance Act in 1965 has greatly changed the publication, acquistion, and delivery of health related information. This change, in turn, has affected a very real change in the practice of medicine and delivery of health care in the United States.

Continued adequate support for the NLM is vital to the delivery of high quality cost-effective health care in the United States.

I am respectively requesting that this letter be made part of the official hearings report.

Sincerely,

Doris Ignatius

Doris Ignatius
Science Librarian
College of St. Scholastica

LETTER FROM MARGARET NORDEN, REFERENCE LIBRARIAN, FALK LIBRARY OF THE HEALTH SCIENCES, UNIVERSITY OF PITTSBURGH

April 23, 1984

Senator Lowell P. Weicker, Jr.
Chairman, Subcommittee on Labor, Health and Human Services Education and Related Agencies
SD-131 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Weicker:

This is in reference to the budget appropriation for National Library of Medicine, FY 1985.

I am distressed to note that the President requested $7,000,000 less than NLM estimated as its budget requirement for 1985. NLM is vital to the information needs of the health community. It has undertaken, and is successfully carrying out, a tremendous task in gathering information, developing a retreival system, and guiding the distribution of material. The future holds still more challenges, particularly the need for leadership in developing IAMS, the Integrated Academic Information Management System.

I urge you and your colleagues to take positive action to increase this budget appropriation. Please make this letter part of the official hearings record.

Sincerely yours,

Margaret Norden

(mrs.) Margaret Norden
Reference Librarian

Letter From William V.R. Shellow, M.D., Chief, Dermatology Inpatient and Consultation Service, West Los Angeles Veterans Administration Medical Center

April 19, 1984

Senator Lowell P. Weicker, Mr., Chairman
Subcommittee on Labor, Health and Human Services,
Education and Related Agencies
SD-131 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Weicker:

It is my understanding that the budget for the National Library of Medicine has been cut $7,000,000 from $58,000,000 to only $51,000,000. Please restore their budget to the original level since we all rely on the National Library of Medicine for their excellent reference services such as MEDLINE, which ultimately affect the quality of care rendered to patients within the V.A. system of health care.

I would appreciate your making my letter part of the official record of your hearings on this matter.

Thank you for consideration of my request.

Sincerely yours,

William V.R. Shellow. M.D.

WILLIAM V.R. SHELLOW, M.D.
Chief, Dermatology Inpatient & Consultation Service

Letter From Marc D. Chalet, M.D., Assistant Chief, Dermatology Service, Wadsworth Division, West Los Angeles Veterans Administration Medical Center

April 19, 1984

Senator Lowell P. Weicker, Jr., Chairman
Subcommittee on Labor, Health and Human Services,
Education and Related Agencies
SD-131 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Weicker:

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I would appreciate your making my letter part of the official record of your hearings on this matter.

Thank you for consideration of my request.

Sincerely yours,

Marc D. Chalet MD

MARC D. CHALET, M.D.
Assistant Chief, Dermatology Service
Wadsworth Division, West Los Angeles VAMC

Letter From Ronald M. Reisner, M.D., Chief, Dermatology Service, Wadsworth Division, West Los Angeles Veterans Administration Medical Center

April 19, 1984

Senator Lowell P. Weicker, Jr., Chairman
Subcommittee on Labor, Health and Human Services,
Education and Related Agencies
SD-131 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Weicker:

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I would appreciate your making my letter part of the official record of your hearings on this matter.

Thank you for consideration of my request.

Sincerely yours,

RONALD M. REISNER, M.D.
Chief, Dermatology Service
Wadsworth Division, West Los Angeles VAMC

Letter From David Brown, M.D., Dermatology Service, Wadsworth Division, West Los Angeles Veterans Administration Medical Center

April 19, 1984

Dear Senator Weicker:

It is my understanding that the budget for the National Library of Medicine has been cut $7,000,000 from $58,000,000 to only $51,000,000. Please restore their budget to the original level since we all rely on the National Library of Medicine for their excellent reference services such as MEDLINE, which ultimately affect the quality of care rendered to patients within the V.A. system of health care.

I would appreciate your making my letter part of the official record of your hearings on this matter.

Thank you for consideration of my request.

Sincerely yours,

David Brown MD

DAVID BROWN, M.D.
Dermatology Service

Letter From Emily F. Bloom, M.D., Dermatology Service, Wadsworth Division, West Los Angeles Veterans Administration Medical Center

April 19, 1984

Dear Senator Weicker:

It is my understanding that the budget for the National Library of Medicine has been cut $7,000,000 from $58,000,000 to only $51,000,000. Please restore their budget to the original level since we all rely on the National Library of Medicine for their excellent reference services such as MEDLINE, which ultimately affect the quality of care rendered to patients within the V.A. system of health care.

I would appreciate your making my letter part of the official record of your hearings on this matter.

Thank you for consideration of my request.

Sincerely yours,

EMILY F. BLOOM, M.D.
Dermatology Service

SUBCOMMITTEE RECESS

Senator INOUYE. With that, the subcommittee will stand in recess until Thursday, April 26. We'll meet again in SD–116 to hear public witnesses on the Alcohol, Drug Abuse, and Mental Health Administration; the Office of the Assistant Secretary for Health; the Health Care Financing Administration; the Office of Human Development Services; vocational education; bilingual; and library programs.

[Whereupon, at 11:30 a.m., Wednesday, April 25, the subcommittee was recessed, to reconvene at 9 a.m., Thursday, April 26.]

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1985

THURSDAY, APRIL 26, 1984

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 9 a.m., in room SD–116, Dirksen Senate Office Building, Hon. Lowell P. Weicker, Jr. (chairman) presiding.

Present: Senators Weicker, Andrews, and Burdick.

NONDEPARTMENTAL WITNESSES

OPENING STATEMENT

Senator WEICKER. Today we will be hearing from public witnesses on the Alcohol, Drug Abuse, and Mental Health Administration, Office of the Assistant Secretary for Health, Health Care Financing, and the Office of Health Care Financing Administration; the Office of Human Development; Vocational and Adult Education; and bilingual education.

As you know, we have a limit of 5 minutes per witness, not as an accommodation to the whomever is in this chair, but to all the witnesses who care to testify. This is the only way we know to at least let everybody have their voice known.

All your statements will be included in their entirety and will be read by staff and the Senators.

We welcome our first witness, who is Frank Burtnett, representing the American Mental Health Counselors Association.

STATEMENT OF FRANK BURTNETT, AMERICAN MENTAL HEALTH COUNSELORS ASSOCIATION

Mr. BURTNETT. Thank you, Mr. Chairman. I've spent a great deal of the last weekend in rainy New England and I came back to sunny Washington and I wish the reverse had happened.

Senator WEICKER. Now, let's be fair to New England. When it was raining down here it was nice up there. I don't know what it's like up there today, but I expect it is a nice day there, too.

Mr. BURTNETT. I represent the American Mental Health Counselors Association.

As you are well aware, these are stressful times for our citizens. Never in recent history have Americans witnessed such runaway deficits, unbalanced budgets, and actual financial setbacks. Setbacks that affect our pocketbooks daily. These issues acutely affect all of our people, but especially the poor, the elderly, and the mentally less stable. Everyone is trying to adjust to these challenges. Some are being successful; some are not.

In these times, therefore, there is far a greater incidence of mental stress and disorder. The rate of suicide and substance abuse continues to escalate. We are vitally concerned about what is happening to family structures with many of these external affects.

To deal with the results of this worsening pattern, a supportive effort is required and skilled well-trained counselors and related professional mental health workers are required. We must reverse the recent fiscal stringency in mental health programs and begin an effort to provide the necessary means to manage the problems that people are dealing with today.

Although I feel that level of funding for research initiatives proposed in the President's budget is somewhat adequate, we are disappointed (*1*) to see that there are no increases in research training, and (*2*) the proposed elimination of clinical training for mental health. In fiscal 1985, we seek restoration of the 1984 figure for $21 million, so a combined funding training level would be $38.7 million. Even this increase will not adequately restore programs to what they were just a few years ago.

In view of the drastic reductions in funding for research training made a few years ago, we realize by now that these were mistakes, and we should make every effort to restore these programs to respectable levels.

The American Mental Health Counselors Association that I represent would also like to stress that we feel it is necessary and appropriate to include, in your report, mental health counselors as core providers of services to individuals in our communities.

Senator Inouye, in introducing Senate bill 2339, which is entitled, "The Fifth Core Provider Legislation," includes counselors with psychologist, psychiatrist, psychiatric nurses, and social workers, as the five core providers of mental health providers in this country. We think that all programs instituted by the National Institute of Mental Health should include the role of professional mental health counselor in such activity.

Our association is not totally dissatisfied with the general concept offered in the Alcohol, Drug Abuse, and Mental Health Administration Block Grant Program, if the funding of this activity continues to be a concern. We recommend that this Block Grant Program be funded at $490 million which is slightly above the President's recommended $472 million.

This Congress is to be commended for the support which it has demonstrated in this area and we need to continue to put attention here because it is vital to the basic delivery of social and medical services offered to the people of this Nation.

Discretionary programs are a foundation of basic health service delivery. In the absence of Federal support, neither State nor local governments, nor the private sector, is financially capable, at this time, of continuing these services. Our association is aware of the distressing economic climates, however, we would like to see and urge this Congress to make sure that discretionary health programs are not reduced or eliminated in the future, at least for medical care.

Congress has expressed a recent concern for the eligibility of recipients, but it appears that the past chaotic review by the administration has led to serious financial setbacks and an abrupt benefit cutoff for many disabled persons. We want to make sure that these disabled persons are not unfairly treated by motivation to cut Federal spending.

The Nation's two largest health care programs, medicare and medicaid, which include benefits for the poor and elderly, are under constant attack because they are entitlements.

We recognize the fiscal pressures in these programs and we are supportive of the introduction of appropriate restraints. We believe that the third party reimbursement system in this Nation has to be reformed. But shaving the edges off these programs will not do the job. Frankly, we feel that this is the last place to start trimming. Professional counselors, and other service providers in the mental health world, see the devastating results of these cuts daily.

Mr. Chairman, a special concern of our association centers around the elderly. For many years counselors were thought to only deal with children and adolescents, but we now believe in counseling across the lifespan. The older people of this country, because of the rapidly changing economic and social conditions, are among the most confused and most depressed, and are under more pressure and stress than most of us. It also remains difficult for many elderly to seek and rely on reasonable mental health services.

Today the elderly are incurring increasing financial burdens for receiving health care services, and even these services often do not meet their needs. There is no way we can expect the elderly to bear more of a financial burden.

On a personal note, Mr. Chairman, I would like to say that your State of Connecticut, from my perspective with the national association, is doing some outstanding work in all aspects of professional counseling. Persons like Marie Catanya (ph.) and Clare Freelander in Connecticut are doing an outstanding job with vocational guidance and school guidance programs.

Marguerite Carroll (ph.) and Sam Glading (ph.) are doing an outstanding job of training professional counselors to come into the agencies and the community programs of the State of Connecticut to see that the needs of the people across the lifespan are being met.

I appreciate the opportunity to bring the concerns of the American Mental Health Counselors Association before you, and we look forward to your continued support.

PREPARED STATEMENT

Senator WEICKER. Thank you very much.

[The statement follows:]

STATEMENT OF FRANK BURTNETT

The American Mental Health Counselors have some concerns about the proposed budget and the current fiscal policy.

As you are well ware, these are stressful times in America. Never, in recent history, have Americans witnessed such runaway deficits, unbalanced budgets, and actual financial setbacks that acutely affect the poor, the elderly, and the mentally unstable. Everyone is trying to adjust to these challenges. Some are, yet many are not. In times such as these, there is a far greater incidence of mental stress and disorders. The rate of suicide and substance abuse continues to escalate. To deal with the results of this worsening pattern, a supportive effort is required, and skilled, well trained professionals are needed. I think it is very clear that now is the time to reverse the recent fiscal stringency in mental health programs and begin an effort to provide the necessary means to effectively manage these problems.

FUNDS FOR TRAINING

Although we feel the level of funding for research initiatives proposed in the President's budget is somewhat adequate, we are very disappointed to see no increase in research training, and the proposed elimination of clinical training for mental health. In fiscal year 1985, we seek restoration of the fiscal year 1984 figure of $21 million for clinical training and an increase of $2.3 million (15 percent) for research training, so combined, training can be funded at $38.7 million. Even this increase will not adequately restore funding to levels of just a few years ago.

In view of the drastic reductions in funding for research training made a few years ago, we should realize by now that these were mistakes, and should make every effort to restore these programs to respectable levels.

The American Mental Health Counselors Association also would like to stress that it is necessary and appropriate to include, in your report, mental health counselors as a core provider of services when addressing the issue of training mental health professionals through the programs administered by the National Institute of Mental Health.

BLOCK GRANTS

The American Mental Health Counselors Association is not totally dissatisfied with the general concept of the ADAMHA block grant. Yet, funding for this program remains a meritorious concern. The American Mental Health Counselors Association recommends that the ADAMHA block grant be funded at $490 million, slightly above the President's budget request of $472 million. Congress is to be commended for the support they have demonstrated to the effectiveness of this program. Mental health services are vital to the basic delivery of social and medical services to the Nation.

DISCRETIONARY PROGRAMS

Discretionary programs are the foundation upon which our basic health service delivery, education, prevention, research, and training systems are built. In the absence of Federal support, neither State nor local governments, nor the private sector are financially capable of continuing these vital programs. The American Mental Health Counselors Association is aware of the current distressing economic climate, however, we are also aware that discretionary health programs are among the most cost effective of our efforts, by reducing the need for greater future outlays for medical care. It is very well known that the current economic and social outlook weighs heavy on the minds of many. Now is not the time to eliminate opportunities before us in health, particularly in mental health. Now is the time to accelerate our efforts to meet the challenges we face in coming years.

It is our belief that there should be no further reductions in the realm of discretionary programs. These programs have been the source of public health innovation and progress, and have dealt with problems beyond the reach or authority of entitlement programs.

DISABILITY REVIEW

Congress has expressed a recent concern regarding eligibility of disability recipinets, but it appears that the past chaotic review by the administration has led to serious financial setbacks and abrupt benefit cutoffs for many disabled persons. We hope this committee will again express its concern for these recipients so they are not unfairly treated by a motivation to cut Federal spending, and continue to support legislation designed to provide an equitable review and transition.

MEDICARE/MEDICAID CUTS

The Nation's two largest health care programs, medicare and medicaid, which provide benefits to the poor and elderly, are under constant attack because they are entitlements.

We recognize the fiscal pressures these entitlement programs create, and we are supportive of the introduction of appropriate restraints. The entire third party reimbursement system in this Nation must be reformed. Shaving the edges of benefit programs designed for the truly needy will not do the job. Frankly, we feel this is the last place to start trimming. Cost shifting or benefit reductions at the expense of the Nation's most vulnerable citizens just doesn't make sense. Providers of mental health services see the devastating results of this daily.

AGING

Finally, Mr. Chairman, a special concern of the mental health counselors centers around the elderly, who, because of todays rapidly changing economic and retirement outlook, are more confused and depressed, and under more pressure and stress, than most of us. It also remains difficult for many elderly to seek and rely on reasonable mental health services.

Today, the elderly are incurring increasingly greater financial burdens for receiving health care services that do not even meet their needs. There is just no way we can expect the elderly to bear any more of this financial or mental burden. The aged individuals of our Nation deserve much, much better.

Thank you for this opportunity to express our concerns and for your continued support.

STATEMENT OF DR. EDWARD CARELS, VICE PRESIDENT, COMMUNICATION, COMPREHENSIVE CARE CORP.

Senator **Weicker**. Our next witness is Dr. Edward Carels, vice president/Communications Comprehensive Care Corp.

Dr. **Carels**. Thank you, Senator Weicker. My name is Dr. Carels. I am vice president for Comprehensive Care Corp. We are the Nation's largest provider of alcohol and substantive abuse treatment in this country.

I have basically one general recommendation, and that is that this country needs a national plan for dealing with substance abuse. Money should be appropriated to help the private sector involvement in some kind of a national game plan for dealing with this serious problem.

Why do I feel that there is a need for a national game plan? I would like you to look at just a few of the facts with me as to what alcohol and drugs are doing to America.

An estimated 14.7 million Americans suffer from alcoholism or problem drinking and another 3 million are abusing drugs. The United States has one of the highest rates of automobile accidents involving alcoholism in the world. Seventy-one people are killed each day and 2,000 are injured.

Alcohol and drugs are causing a tremendous number of deaths in this country: 68 percent of drownings, falling accidents; 50 percent of adults killed in fires, homicides, suicides. As far as diseases go, over 35 known diseases are contributed to by drugs or alcohol abuse. In terms of social cost: 40 percent of divorces, 5.7 million cases of family violence, 3.4 million arrests annually, 1.5 million drunk driving arrests, and an estimated 25 to 50 percent lost productivity among the American worker.

Traditionally, major declines in college SAT scores are coincidentally related to increased drug use in high schools, and so on and so forth. I think you have probably heard many of these facts before. What is being done about the problem is what concerns me. As I look at the situation of drugs and alcohol, the beverage industry is spending billions of dollars making the problem worse. We have spent less than three-tenths of 1 percent of our health bill on this problem. In fact, the total number of persons affected are approximately 8 percent of the population.

In terms of dollars per victim research, it is lower than everything but venereal disease, and we spend about 25 times more on cancer research than on alcohol or drug abuse. Health planning has failed to develop a meaningful plan for dealing with alcoholism and drug addiction in America, and I feel it should be abandoned or do what its needs suggest. The Health Care Financing Administration helped develop a DRG for alcoholism and drug abuse, and basically, I think they made some serious mistakes. After an outcry from the field, there was an agreement that DRG should be put into an exemption category until they could come up with a better answer.

Insurance coverage is growing, but it is still quite low. My own research suggests that less than one-half of American workers are covered for any type of substance abuse treatment, and as you know, in a major, and, I think, regressive move, the Federal Employee Program withdrew coverage for the addictions last year. Despite the tremendous publicity, drunk driving is still a very major problem on our highways, and cocaine abuse is estimated at a $30 billion level.

Despite law enforcement attempts to curb the problem, little has been done to curb the demand for these kinds of chemicals. And so it goes. I don't mean to suggest that many fine efforts aren't being undertaken by Congress and the administration, but I do feel that more must be done and it must fit into a national game plan of some kind.

Money should be appropriated for the Alcohol, Drug Abuse, and Mental Health Administration, or someone, to develop a national game plan for dealing with this problem. I am not requesting to raise taxes, only that we put out money where the priorities seem to be. Drug abuse and alcohol abuse influences the lives of every American.

A Gallup poll that was recently conducted suggests that 81 percent of Americans feel alcohol abuse is a major problem, and 33 percent said it had been a problem in their own families. I found those statistics astounding and so did George Gallup.

Last, I would suggest that we support more dollars aimed at education and prevention, support for more and better insurance coverage, a private sector advisory panel to assist in the development of a fair and appropriate DRG for alcoholism and drug abuse, and using taxes on alcoholic beverages to help pay for prevention and treatment of these diseases—not necessarily raising those taxes, an appeals process for providers who are affected by peer review organizations who develop admission standards so stringent no one can be treated. And, last, more research dollars for alcohol and drug abuse, centering specifically at reducing stigma and shame surrounding seeking care for these problems, making the illnesses more easily detected, and more research on the barriers to seeking help.

It is estimated that only 15 percent of the people who have a serious drug or alcohol problem are getting any help at all.

Thank you very much.

Senator WEICKER. Thank you very much.

Incidentally, if anyone would care to comment on the tremendous increases of teenage suicides, that I gather has some connection with substance abuse, please feel free to do so. It seems to me that this is becoming an enormous problem in this country and it is directly related to what we are involved with here.

Dr. CARELS. Suicide is a very important problem among adolescents. We just completed the study with George Gallup on substance abuse in America and we found that many people, young people, tend to exacerbate their depressed feelings under the influence of drugs and that is most frequently when suicide is committed, when they are under the influence of some kind of drug.

Senator WEICKER. Somebody told me the other day that one-half of the suicides in this country are among young people.

Dr. CARELS. That's true.

PREPARED STATEMENT

Senator WEICKER. Thank you very much. We will insert your statement in the record.

Dr. CARELS. Thank you.

[The statement follows:]

STATEMENT OF EDWARD J. CARELS

Thank you for this opportunity to discuss federal funding priorities in the health care field.

I am Dr. Edward Carels, vice president of Communications for Comprehensive Care Corporation, a national leader in behavioral medicine services, and president of CareInstitute, a nonprofit research and educational organization. Each year, Comprehensive Care Corporation treats more than 40,000 individuals for chemical dependencies and abuse, psychiatric disorders, and eating disorders, as well as providing rehabilitation services, employee assistance programs, community counseling and referral services and publication of growth-centered literature.

In a soon-to-be published book from CareInstitute, Harvard economist Rashi Fein warns that "In an era in which society is preoccupied with finding ways to limit total health care expenditures, it is easy for public and private sector decision makers at all levels to ignore or forget the fact that not all parts or activities of the healthcare system are overfunded. Unilateral reductions in spending can hit with devastating force those health conditions which have historically suffered from relative neglect, yet whose impact has been underestimated." His statement is particularly relevant to the stigmatized illnesses of alcoholism, other drug dependencies and psychiatric disorders.

The impact of these diseases, while frequently underestimated, is massive in terms of economic costs and human tragedy. In 1983 dollars, alcohol, drug abuse and mental illness cost this nation some $177.3 billion annually in lost production, death, medical care, crime and social welfare. An estimated 14.7 million Americans are alcoholics or problem drinkers and 4.4 million use marijuana on a daily basis. One out of every three Americans 12 years of age and older has abused drugs and one in five has done so within the last year. The American Hospital Association in its 1983 Policy and

Statement notes: "Contributing significantly to a variety of medical complications, alcoholism and drug abuse problems are seen in as many as 50 percent of the patients admitted to hospitals with other diagnoses." In addition to the chemical dependency and abuse problems, an estimated 10 to 15 percent of the population suffers from mental disorders severe enough to require treatment.

Study after study illustrates that treatment for these diseases usually results in improvement and recovery and over-the-long-term saves money through reduced medical utilization and increased productivity. Thus, money devoted to the research, prevention and treatment of these diseases is an investment.

Alcohol, Drug Abuse and Mental Health Administration

The administration's budget request for the Alcohol, Drug Abuse and Mental Health Administration is $421 million, a $33 million reduction from 1984. An estimated $226 million is allotted for the National Institute of Mental Health, $79 million for the National Institute on Drug Abuse and $60.5 million for the National Institute on Alcohol Abuse and Alcoholism. We strongly support increases in research funding for alcohol abuse to $48 million, $5 million over 1984, and for drug abuse to $64 million, $9 million over 1984. We urge this subcommittee to maintain these levels of funding. Research for chemical dependencies has been grossly underfunded given the impact of these diseases on society. More people in this country suffer from alcoholism and problem drinking than cancer, yet in recent years federal dollars spent on research for cancer was 25 times that spent on alcoholism and abuse ($811,455,000 for cancer compared to $33,027,000 for alcoholism in Fiscal Year 1983.)

While we support NIAAA research initiatives in areas of genetics, Fetal Alcohol Syndrome, the links between alcohol abuse and cancer and heart disease, and the role of alcohol in accidents, we urge that attention be given to the psycho-social and economic aspects of these diseases. Some areas of needed research include ways to remove the many barriers to treatment, so that more than the current 15 percent of this nation's alcoholics and problem drinkers receive help; what are the differences between inpatients and outpatients; and polydrug abuse and its effects on treatment outcome.

Although basic research is vital, disseminating it in an expeditious manner is also important. We urge that funding be allocated for placing NIAAA's and NIDA's research and clearinghouse information in computer data banks that can be accessed easily. Currently, it takes four weeks to receive information by mail.

Alcoholism Task Force

When the proposed regulations for Medicare's Prospective Payment System were published, they contained DRG weights which were inappropriate for chemical dependencies (DRG numbers 433 to 438). Because HCFA did not distinguish alcoholism detoxification programs from the three-to-four week long alcoholism rehabilitation programs, the DRG for alcoholism dependence was predicated on a length of stay of 8.1 days. More than 900 comments were received by HCFA on the miscalculation of DRG 436 and the resulting inequities in payment. It is vital that the recalibration of the DRGS which is to be completed by October of 1985 reflect the realities of chemical dependency treatment and the utilization of health care resources. Because there is much about alcoholism and other forms of chemical dependency and their treatment of which government health care planners are not aware, we urge that a small amount of funding be provided to NIAAA to help organize a public/private sector task force. The Secretary of Health and Human Services could appoint at NIAAA a task force to assist the Department in developing and implementing appropriate Medicare diagnostic related group rates for alcohcl treatment and rehabilitation as well as assist in the implementation of patient placement and treatment assessment research. We believe the task force should include representatives of HCFA, NIAAA, and private and public sector treatment providers.

Alcohol, Drug Abuse and Mental Health Block Grants

The Administration's request for $472 million for the block grants represents a $10 million increase over 1984 levels. But this amount is well below funding levels of FY 1981. At a minimum, we support the levels proposed by the Senate Labor and Human Resources Committee which would authorize $490 million in FY 1985, including $7 million for prevention and treatment services for women alcoholics and drug abusers.

We are deeply concerned by the lack of treatment facilities for the chemically dependent as a whole. Only 15 percent of this nation's alcoholics receive any formal treatment, and according to the latest National Drug and Alcoholism Treatment Utilization Survey the total number of alcoholism treatment programs and the total number of individuals being treated for alcoholism or alcohol abuse are declining. Some states are reporting long waiting lists for treatment.

As treatment providers, we know well that many women alcoholics go undetected and underserved. For more than one year, we have operated our CareUnit for Women at St. Catherine's Hospital in Half Moon Bay, California. And we have instituted women's groups as pilot programs in many of our CareUnits with high female populations. Generally, we find our female patients are sicker upon admission to treatment, are polydrug abusers and are experiencing very low self-esteem. More attention must be given to identifying the special needs of female alcoholics and addressing them through treatment.

Health Planning

With all the existing initiatives to control health care costs--Medicare's Prospective Payment System, preferred provider organizations, second opinion plans, alternatives to inpatient treatment, Peer Review Organizations--we question the continuance of federal health planning in its present form at an annual cost to the federal government of $64 million. Our biggest concern is that with all the health planning initiatives, there is still no meaningful national health plan for dealing with chemical dependency and abuse in America. In fact, the CON process impedes the delivery of needed care. The Certificate of Need process delays the opening of our programs from six months to three years. Yet, most of our programs convert empty hospital beds to help solve severe community problems of chemical dependency and mental illness. The layers of bureaucracy we must convince of these self-evident needs only raises health care costs. Each CON application costs us $35,000. If health planning is to continue, it needs to be revamped to streamline the regulatory process and reduce the cost to federal government and treatment providers. We recommend that if the CON process is retained it become a state option and that thresholds be changed to $5 million for capital expenditures and $1 million for institutional health services operating costs.

Medicare

Employer Tax Cap With the cost of Medicare expected to rise to $75.8 billion in FY 1985, and with critical concerns about maintaining the financial viability of this program upon which some 28 million beneficiaries rely, we understand the need to limit the costs of Medicare. In an effort to save $939 million, the administration has proposed changes including freezing Medicare physician fees, postponing eligibility for Medicare, increasing premium payments by beneficiaries and limiting tax-free health benefits paid by employers. We particularly oppose placing limits on tax-free employer paid health benefits in order to generate $207 million for the Medicare trust fund. Not only would this tax cap continue the shift of Medicare costs to private sector employers, it will reduce coverage for alcoholism and psychiatric disorders. There is a tendency for health insurers to arbitrarily cut coverages for chemical dependencies and psychiatric problems when forced to restructure their premium and benefit packages for cost control considerations. In the long run, this would not be good public policy. Lack of insurance coverage for chemical dependencies ultimately leads to high health care costs, because when the primary disease goes untreated, medical complications develop. Alcohol abuse contributes to some 30 other diseases, including such major killers as cancer, heart disease, and liver disorders.

Federal Excise Tax Increase To help ease the projected Medicare deficit of $200 billion by 1995, we recommend exploring new sources of revenue. We concur with the Advisory Council on Social Security and with the recent deficit reduction bills passed by Congress that Federal excise taxes on alcohol and tobacco be increased with the increased revenue to be earmarked for the HI trust fund. Within Medicare, we urge earmarking of some of the increased funds for specialized treatment programs for chemical dependency and cancer. There is a high correlation between the use of these products and increased health care costs. In fact, one study found that 13 percent of all hospitalized patients use more than half of all hospital resources. The medical records of these high cost patients revealed the prominence of alcoholism, heavy smoking and obesity. The Congressional Office of Technology Assessment noted that "alcoholism plays a central contributory role in a variety of ailments that affect the elderly, particularly cardiovascular disease, gastrointestinal problems and cancer." The increased tax can be considered a user tax, since 11 per cent of the adult population consumes about half of all alcohol beverages sold.

Peer Review Organization Peer Review Organizations (PROs) successor to the Professional Standards Review Organizations will receive some $171 million in FY 1985 and will be funded directly from the Medicare Hospital Trust Fund. This amount is a sizeable increase from the $69 million currently alloted for PSROs. We urge that within this increase, an amount be set aside to fund an appeals board on broad based PRO policies. As an example, in Califonia, the PSROs have adopted criteria for alcoholism admissions which are so stringent most patients are not being admitted or should be admitted to the critical care unit of a hospital. The California Medical Association has expressed its opposition to the criteria and with the California Society for the Treatment of Alcoholism and Other Drug Dependencies has recommended alternative criteria. There must be some recourse when Peer Review policies substantially endanger the health of Medicare beneficiaries.

DRG Exclusion The FY 1985 Budget reflects the implementation of Prospective Payment. While it is expected to moderate cost increases, there is a major inequity in the administration of Prospective Payment. In the Final Rule, an exclusion opportunity was made available for alcohol/drug hospitals and distinct units whose cost reporting periods began on or after Jan. 1, 1984. Yet, those hospitals and distinct units whose cost reporting periods began on or after Oct. 1,1983, and before Jan. 1, 1984, as well as distinct units just opening in hospitals under Prospective Payment, are being denied exclusions and locked into Prospective Payment for a year. Because of this discriminatory policy, many alcohol/drug hospitals and units are being unfairly penalized. We urge that all alcohol/drug hospitals whose cost reporting periods began on or after Oct. 1, 1983, and all new distinct units be permitted to apply for the exclusion from Prospective Payment.

As you decide on health appropriations, we ask you to recognize that long-range gains can be sacrificed by short-run economies. Monies spent for alcoholism, drug abuse and mental illness in terms of research, prevention and treatment are investments that can shrink this nation's overall health care costs.

STATEMENT OF LINDA PASTERNAK, PRESIDENT-ELECT, NATIONAL ASSOCIATION OF ALCOHOLISM TREATMENT PROGRAMS

Senator **Weicker**. The next witness is Linda Pasternak, president-elect of the National Association of Alcoholism Treatment Programs. Linda.

Ms. **Pasternak**. Good morning, Mr. Chairman. I am Linda Pasternak. I am here in my capacity as the president-elect on National Alcoholism and Treatment Program, the NAATP, who represents more than 350 for-profit and not-for-profit facilities that represent alcoholism and chemical dependency treatment. We are the only national health care organization solely concerned with alcoholism and chemical dependency treatment for adults, as well as adolescents.

Today I am here to communicate the association's full support for the very highest level of appropriations in fiscal year 1985 for the National Institute on Alcohol Abuse and Alcoholism. The association views on funding for the Institute's activities of concern to the Nation's private treatment programs are represented in my testimony today.

As you know, NIAAA is the Government's focal point for research on causes, ideaology, prevention, and treatment of alcoholism. In the 13 years that the NIAAA has been in existence, many breakthroughs have been made. The effects of excessive alcohol intake on the human body, epidemiology of alcoholism, are several of the focus points of NIAAA research, and through the Institute's public information institute campaign, we believe there has been a more visable image for alcoholism, its efficacy and its importance.

Since the implementation of the alcohol, drug abuse, mental health block grant, NIAAA is no longer involved in the funding, but our association believes very importantly that the Institute still retains an important role for alcoholism treatment as a research agency. Last year the Office of Technology Assessment published a landmark report based on research entitled, "The Effectiveness and Cost of Alcohol Treatment." That report cited the fact that it is difficult to draw necessary conclusions about the effectiveness of alcohol treatment because of the poor methdological treatment of the majority of research.

While the report's final conclusion was that it cost more not to treat alcohol than to treat it, it did underline the fact that there were so many approaches to alcoholism treatment, and with the existence of at least three different levels of care, it is crucial that an agreed upon patient placement system be developed. The Institute at the behest of the Senate, began what appears to be a literature search in the area, and our association feels that the quality of the literature is still lacking.

The area of alcoholism treatment assessment and evaluation takes on particularly significance now, as the Health Care Financing Administration must determine an appropriate reimbursement structure. Under medicare's prospective payment system, alcoholism treatment providers are temporarily exempted from prospective payment, because alcoholism treatment did not fit neatly into any of the existing categories.

Our understanding is that the National Institute of Mental Health has issued a request for proposals to administer a contract to establish a treatment center for alcoholism. There is no mention of input or participation by the agency with the lead responsibility for research on alcoholism and its treatment, and that's NIAAA.

Our concern is that the Institute, with the data and expertise that it has gained over the years, needs to be involved in this crucially important effort. And more importantly, by at least June 1985, we need to have some sense of the involvement of our position on alcoholism treatment and DRG's.

We suggest that as the Institute applies more research emphasis to treatment, a slot be reserved on the council of the National Advisory Council on Alcohol Abuse and Alcoholism who are representative from the private treatment sector. There is currently no one on the council who represents the huge sector of the alcoholism field and the expertise that such an individual could lend to the Institute. Additionally, the area of treatment assessment and evaluation research has historically been underfunded, therefore, underemphasized at NIAAA. We believe that in the midst of a great revamping of health care policies and health care regulations, with particular regard to the costs that are involved, that this is an important issue.

As you well know, alcoholism is widespread and, as my associate, Dr. Carels has highlighted, affects some 14 million Americans and their friends and coworkers. These statistics continue to indicate that the receipt of treatment is only a small percentage of those suffering from the illness. The misunderstanding and the stigma still surround alcoholism to guard against a return to the dark ages of alcohol treatment being only given at the lowest level, cheapest level, of care. And with few individuals who are recovering through our system, we need to see alcoholism mainstreamed, and the thoughtful analysis of data on treatment and its efficacy, implemented. Clearly, this is an appropriate role for the National Institute on Alcohol Abuse and Alcoholism.

My testimony today is not meant to denigrate or detract from the need or from the prior research that NIAAA has conducted biomedically or socially. They represent a bulk of the Institute's efforts. This research has been crucial to several advances in our understanding of the disease, however, we must have a common need, a common goal.

In conclusion, I would like to highlight the NAATP recommendations in fiscal year 1985 for appropriations for the National Institute on Alcohol Abuse and Alcoholism: One, that funds be set aside with specific report language for the establishment of a treatment assessment and evaluation research grants and contracts; two, that a portion of those funds be devoted to the development of a patient placement research project; and three, that specific report language enabling NIAAA to let a contract on a competitive basis to develop and appropriate perspective payment approach for alcohol treatment under medicare; four, that there be report language specifically directing NIAAA to place a private individual on the National Advisory Council for Alcohol Abuse and Alcoholism; and last, that the Institute being served widely publicize the availability of additional treatment assessment funds should they be appropriated to the alcohol treatment field, to insure the availability for other treatment facilities to participate in such efforts.

PREPARED STATEMENT

This concludes my statement for today, Mr. Chairman. I have submitted a longer written statement. I will be glad to answer any questions you might have.

Senator WEICKER. Thank you very much for your testimony.

[The statement follows:]

STATEMENT OF LINDA J. PASTERNAK

The National Association of Alcoholism Treatment Programs (NAATP) appreciates this opportunity to address the Labor-Human Services-Education Appropriations Subcommittee, regarding FY 1985 appropriations for the National Institute on Alcohol Abuse and Alcoholism (NIAAA). NAATP, founded in 1978, is the only national health care organization solely devoted to issues in alcoholism treatment. NAATP represents the concerns of some 350 private-sector programs throughout the United States, both for-profit and non-profit, hospital-based and free-standing, offering inpatient, residential and outpatient treatment regimens.

For more than a decade, the NIAAA has been the focal point within the federal government, for advancement of alcoholism research, prevention and treatment. Since its inception in 1971, NIAAA has played an important role for the alcoholism field, as well as for society as a whole. Many of the seminal inroads we have made in dealing with alcoholism have been the direct result of findings made possible through NIAAA-funded research.

Alcoholism is estimated by the Institute to be the third leading cause of death and disability in the United States, trailing only heart disease and cancer in its magnitude. For several years, the Institute has also estimated that 85% of citizens in need of treatment for their alcoholism never seek or receive that treatment. Untreated alcoholism--its ravaging effects devastating nearly every organ and system in the body--is, indeed, today's "American Tragedy." Perhaps the greatest tragedy is that through modern techniques, constantly being researched and refined, alcoholism is a disease which is eminently responsive to appropriate treatment. Yet, the stigma which surrounds this disease prevents many in need of help from seeking that help, and many family members and friends from encouraging it.

For many years, alcoholism treatment has been offered mainly on an inpatient basis in a hospital setting. One of the reasons this particular modality has prevailed is that most private insurance coverage for alcoholism treatment has covered only hospital-based settings. Since the inception of the Alcohol, Drug Abuse and Mental Health block grant, there has been a dramatic shift in the majority funding for alcoholism treatment from public sources to private sources. Additionally, and, to some degree, in response to this phenomenon, the alcoholism treatment field has developed what it calls the "levels of care" concept. This concept needs to be recognized, researched and refined with assistance from NIAAA. First, an explanation of "levels of care."

LEVELS OF CARE IN ALCOHOLISM TREATMENT

Just as there are many types of cancer, and different types of heart disease, there are, as well, multiple types of alcoholism. The variables, in diagnosis, can relate to gender, age, drinking history, family impact and history, employment (history and type), previous treatment, overall physical condition, motivation to recover, etc. To deal with the different types of alcoholism, the field has developed three basic modalities, or levels, of care. They are the inpatient level, the residential level and the outpatient level. Though there are variables on these three types of programming, the basic delineation still applies.

The inpatient level of care is ususally best for the severely sick, long-drinking alcoholic, who generally presents for treatment with concomitant psychiatric and medical complications, and who needs absolute separation from the trappings of everyday life. The residential level of care is an intermediate one, less medically-intensive and, thus, appropriate for patients not experiencing psychiatric or general physical problems, but who still need the benefit of a therapeutic milieu. Outpatient programming, the newest level of alcoholism care, can be appropriate when the alcoholic is in the very early stages of the disease, and whose dysfunction has not become entirely unmanageable.

HOW TREATMENT COST IMPACTS TREATMENT CHOICE

There is little disagreement that the inflation attendant to health care costs has vastly outdistanced nearly all other categories in the Consumer Price Index. As a result, we find ourselves, appropriately, entering an era of health care cost containment. In the alcoholism treatment field, we welcome this era, due to our firm belief that the treatment of alcoholism stands as its own cost containing measure; this is, in fact, undeniable in comparison to the never-ending costs of treating the myriad consequences of untreated alcoholism.

The March, 1982 report of the Office of Technology Assessment, "The Effectiveness and Costs of Alcoholism Treatment (Health Technology Case Study #22)," eloquently concluded that "...it costs more not to treat alcoholism than to treat it." However, the report underscored the fact that the notable lack of methodologically sound treatment assessment research in alcoholism leaves many questions unanswered. The basic question, in the absence of research, still remains: What type of treatment is appropriate for what type of alcoholic?

The answer to this question cannot become a function of nothing more than cost. With the aforementioned stigma accorded alcoholism and its victims, we must guard against implementation of a public policy which simply states that alcoholics deserve only the least expensive care available. Certainly, this was the philosophy which prevailed as recently as thirty to forty years ago, when alcoholics were deemed incurable, and relegated to asylums offering little more than custodial care.

The alcoholism treatment field, itself, has responded to the recognition of different types of alcoholism with the "levels of care" concept. The field has been continually refining its diagnostic techniques, in order to determine the most appropriate level of care for the patient who presents with alcoholism. While insurance coverage--albeit to differing degrees--is available largely to inpatient, hospital-based programs, it is scanty, indeed, for residential programs, and nearly non-existent for outpatient programs. This is, indeed, a contradiction in terms with regard to cost containment: The most intensive (and, often, the most costly) level of alcoholism treatment enjoys better insurance coverage than less costly, less intensive approaches, which, sometimes, are more appropriate as well.

As a result, OTA called for the creation of a patient placement system, matching alcoholics to the appropriate level of care based on the severity of the disease in the patient upon diagnosis and admission. NAATP whole-heartedly supports this idea. With such a system in place, placement of alcoholics in a particular level of care would be based on agreed-upon diagnostic criteria, rather than a simple function of the costs involved.

ALCOHOLISM TREATMENT UNDER MEDICARE

Members of the Subcommittee are aware that alcoholism treatment in distinct part units of general hospitals and in alcoholism specialty hospitals is exempt from the prospective payment system until October 1, 1985. This exemption was warranted because, due to inadvertent statistical flaws, the prospective payment for alcoholism treatment was originally based on an average length-of-stay of 8.1 days. The Department of Health and Human Services granted a temporary exemption, rather than impose an unworkable and unreasonable DRG.

In the meantime, it is crucial that reliable data be developed, in order that an appropriate DRG for alcoholism treatment can be devised. It is of the greatest concern to NAATP that a contract has been let by the National Institute on Mental Health (NIMH) to develop DRG's for alcoholism (and psychiatric treatment), with no mention of any role for NIAAA. How can the lead federal agency for research on alcoholism treatment be left out of such an effort? Why, indeed, is development of an alcoholism DRG not the sole province of NIAAA? What assurances will the affected constituency have of input to such a project?

GREATER EMPHASIS NEEDED ON TREATMENT-RELATED RESEARCH

Many historic and welcome advances have been made in the alcoholism field as a direct result of NIAAA-funded research. There is little doubt that the lion's share of FY 1985 appropriations for the Institute's research will go toward biomedical research, to help us all better understand the effects of alcohol on the body, the very etiology of alcoholism, the interaction of alcohol with other drugs, etc.

There is no greater repository of available research funds in the alcoholism field than that of NIAAA. While NAATP is supportive of the need for biomedical research related to alcoholism, we also believe that greater attention should be paid to treatment assessment research grants and contracts at the Institute. While many NAATP member programs regularly review their treatment outcomes, it is important that a respected, non-vested entity, namely the NIAAA, become more involved in this vital area of research.

Such an effort, begun in earnest by NIAAA, could answer so many of the questions raised by the OTA report, by the Health Care Financing Administration and, indeed, by the alcoholism treatment field, itself. What type of treatment is appropriate for whom? What is the average length-of-stay? What are the data on success and failure of treatment? For whom? In what setting? Why? Without the answers, how can we determine an appropriate public policy on alcoholism treatment?

CONCLUSIONS AND RECOMMENDATIONS

Based on the preceding, the National Association of Alcoholism Treatment Programs recommends the following to the Subcommittee:

1. That funds be set aside in the FY 1985 appropriations for NIAAA, specifically earmarked for treatment assessment research.

2. That part of the above-mentioned funds go toward the development of a patient placement system, as recommended by the Office of Technology Assessment.

3. That part of the above-mentioned funds go toward a contract, to be let on a competitive basis, exclusively from NIAAA, to develop an appropriate prospective payment approach for alcoholism treatment under medicare and that the current exemption from prospective payment for medicare alcoholism treatment be extended until completion of such contract.

4. That the Institute specifically seek a representative of the private treatment sector to sit on the National Advisory Council on Alcohol Abuse and Alcoholism, to provide official input on consideration of expenditures in the treatment assessment research area and other NIAAA policy and procedure areas.

5. That the Institute widely publicize the availability of additional treatment assessment funds, should they be appropriated, to the alcoholism treatment field, ensuring its ability to participate in any such efforts, in an advisory, competitive or other appropriate fashion.

6. That, upon completion of treatment research efforts, the Institute disseminate data, results and analyses to the treatment field as soon as practicable.

In conclusion, NAATP wishes to express its support for NIAAA's many contributions to the alcoholism field, both present and potential. There is a need for greater emphasis on treatment assessment and related research at the Institute which, in the current climate, surely approaches the importance of the Institute's biomedical research.

This concludes the formal statement of the National Association of Alcoholism Treatment Programs. If we can provide further information to the Subcommittee, we will gladly do so. In the meantime, we respectfully request that this testimony appear in the official hearing record.

Thank you.

STATEMENT OF JAMES HOWE, MEMBER, BOARD OF DIRECTORS, NATIONAL ALLIANCE FOR THE MENTALLY ILL

PREPARED STATEMENT

Senator WEICKER. The next witness is James Howe, National Institute on Mental Health.

Your full statement will be included, in full, in the record, at this point.

[The statement follows:]

STATEMENT OF JAMES HOWE

Mr. Chairman, I am James Howe the father of four adult children, two of whom are afflicted with severe mental illness. I serve on the Board of Directors of the National Alliance for the Mentally Ill. This statement represents the views of that organization.

The Alliance, now nearly five years old, consists of family members -- parents, spouses, siblings, children -- and friends of individuals with chronic and disabling mental illnessess -- the schizophrenias, chronic depression and manic depression.

We are a self-help organization whose members have come out of the closet to advocate for the seriously mentally ill who are unable to speak on their own behalf. Also, we provide mutual emotional support to families struggling with these dreaded illnesses. We support and educate each other in coping and managing the effects of the illness on the mentally sick relative and its impact on the total family. The National Alliance for the Mentally Ill has more than 270 affiliates in almost every state in the country, and we are growing rapidly, having doubled our affiliate membership in the past 18 months.

We are pleased to have the opportunity to offer our views on the important budget and programs of the National Institute of Mental Health. My testimony addresses four topics.

1. Research. Mr. Chairman, the highest hope of the mentally ill and their families lies in research into the causes and treatment of these illnesses. The light of hope has flickered dimly in the past. Today, however, that light glows with the recognition that serious mental illness is biologically caused. That recognition, says Dr. Daniel Freedman, past president of the American Psychiatric Association, is "one of the greatest achievements in the mental health field in the past quarter century."

Because of the growing certainty of the biological basis of mental illness and because the opportunities and accomplishments in research on mental illness today rival those found in any area of biomedical science, The National Alliance for the Mentally Ill recommends that this is an appropriate time for the Congress to undertake a full-scale war of research on mental illnesses.

As a nation we declared such a nationwide war on cancer - and we are winning. Similarly, the federal government gave all-out support in the battle against heart disease - and we are winning. Yet more persons are incapacitated by crippling, severe and long-term mental illness than by any other disease. More hospital beds are occupied by seriously mentally ill persons than by any other disease. If the numbers of persons afflicted and the severity and persistence of the disease are valid criteria, then certainly serious mental illness qualifies for a much greater federal commitment. Indeed, Mr. Chairman, we recommend that Congress embark on a five-year goal of tripling the research budget of the National Institute of Mental Health. This could be done by increasing that budget by 25% each year beginning in the year 1985 and reaching a total of $532 million in the year 1989. Such a five-year program would be commensurate with a full declaration of war on mental illnesses. It is a disease that strikes between 10 and 14 million Americans - one in 20. The existence of a human problem of these dimensions demands this level of response.

Moreover, Mr. Chairman, a 25% increase each year in the NIMH research budget is realistic. The administration's 1985 budget request is only a token increase over 1984 ignores the high quality research proposals currently going unfunded and fails to capitalize upon the excitement over the newly unfolding opportunities within the research community. Presently, 90% of the grants now being funded are below a priority score of 170. From NIMH estimates, we project that an additional $43.5 million (i.e., the 25% increase we recommend) would be required to fund proposals up to a priority score of 190.

It is important for the Congress to realize that it is providing $20 million less today in constant dollars than it did 12 years ago. The NIMH budget has not kept pace with inflation. In 1972, $95.5 million was appropriated for NIMH research compared to $174.3 million in 1984. However, the buying power of that $174.3 million in 1972 dollars is only $74.9 million -- a loss of more than 21%. In the words of Dr. Herbert Pardes, recent director of NIMH and now chairman of Columbia University's Department of Psychiatry, it is time to "begin to repair the long-standing drought in fiscal support for this program".

We ask that the committee recommend to the Congress a 1985 appropriation for NIMH research of $217.9 million, a 25% increase over the present research budget.

2. Research Training. We believe this subcommittee ought to increase the administration's research training budget to at least $20 million. An expanded research program requires training for promising young scientists. In FY 1983, the NIMH received 199 applications for the training of researchers, which requested $24,973,000 to support 1,498 researchers. But NIMH could only fund 931 research trainees with $13.4 million. This inadequate level of support for

research training has had an undoubted chilling effect upon our universities and colleges. There is evidence that an untapped pool of personnel exists who would enter a career of research on mental illness if additional funds were available. Investigation leads us to the conclusion that eventually many more than 1,498 training slots could be sought by universities and other academic programs if adequate funding were available. The more trained researchers we have, the faster we can win the war on mental illness.

3. Community Support Program. We testified last year before this subcommittee on the successes of the modest CSP program in reducing hospitalizations by 50% in the participating states, in fostering increased state support for the chronically mentally ill at the rate of 18 state dollars for each federal dollar, and in nudging local authorities to focus and coordinate their community support systems to better serve the chronically mentally ill.

Once again the administration has asked for no funds for the CSP program. We ask this committee to fund this vital program. As you know, this program has never been authorized but has been funded by the appropriations committees as a demonstration effort. As testament both to its outstanding achievements as well as to its unfinished work, pending reauthorization bills in both houses have included a line item authorization for this demostration authority. We commend that action by the authorizing committees and recommend that this subcommittee provide $15 million for FY 1985, including $5.5 million for the new initiative on children and adolescents.

3. ADM Block Grant. It appears certain that Congress this year will reauthorize this three-year old block grant. While the proportion of federal block grant dollars for mental health is but a fraction of total dollars spent, it is a significant and important proportion.

NAMI expressed its concern to the authorizing committees that the chronically mentally ill are inadequately served by these funds, although the law mandates that "special attention" be given to them by the community mental health centers (CMHC). Since the law presently requires that the states spend these funds through the CMHCs and since they are nevertheless inadequately providing for chronically mentally ill care, NAMI has asked that the law be amended to permit the states greater flexibility in providing more appropriate services than presently available. Specifically, we wish to see block grant funds directed toward rehabilitation programs and support services such as psychosocial support programs for the chronically mentally ill.

We are hopeful that the Block Grant reauthorization legislation will reflect these needed changes. We ask this committee to reinforce this emphasis.

As to the amount of the block grant, we ask that the appropriation match the authorization, which contains appropriate adjustments for inflation.

4. NIMH Staffing. The administration has ordered across-the-board reductions in staffing in many federal agenices. NIMH had been ordered to reduce its FY 1985 employee roster by 7%. Unfortunately, plans for such reductions must be initiated now because under the federal reduction-in-force procedures, persons to be cut must be identified many months before the cuts can take effect.

The distressing net effect of all this is to use the personnel system as a means of forcing the impoundment of funds before Congress appropriates them. If the institution that will have to make use of these funds has been crippled, then funds cannot be wisely spent. Must Congress stand by and watch, unable to bring some reason to the process?

We do not believe Congress should permit irreversible staff reductions to be made in advance of Congressional funding decisions. If the Congress provides funds for the community support program and for clinical training as it did last year, notwithstanding the President's zero budget request, and if it increases significantly the research programs of the NIMH -- then, staff should be increased, not reduced.

In particular we believe the proposed abolition of the Office of State and Community Liaison would seriously impair NIMH's critical leadership in vital areas. That office is responsible for the CSP, homeless, victims assistance, the new Child and Adolescent Service Systems Program, technical assistance and the critical liaison role to states and others. If the CSP program is refunded (and it is nearly certain to be authorized in the ADM reauthorization bills pending), who will manage this important program?

We ask tne committee to intervene, possibly by freezing present personal levels in this office, before it is too late and good people are fired.

Finally, Mr. Chairman, it is time for America to face up to the dimensions of its problem with mental illness. It is time to enlist its best scientific minds in the war to conquer this disease and meanwhile build effective community based support and treatment programs to allow afflicted persons to live decent lives. This would allow the mentally ill to achieve a measure of independence while a search for a cure goes on. We have not lost our hopes for a better future for these fellow citizens. We look to the Congress to fulfill these hopes and to make them into realities.

Mr. Howe. Mr. Chairman, I am the father of four adult children, two of whom are afflicted with serious mental illness. I serve on the board of the National Alliance for the Mentally Ill, and this statement represents the views of that organization.

Incidentally, it is an organization which is now nearly 5 years old and consists of family members and friends with serious mental illness. We have 275 local chapters in 48 States, including three in the State of Connecticut. We have grown rapidly. We have doubled our strength in the last 18 months and we are pleased to have the opportunity to offer to you this morning our views on this important subject.

My full testimony addresses five topics.

The first, research. The highest hope for the mentally ill and their families lies in research into the causes and treatment of these illnesses and, I must say that, the light of that hope has flickered in the past few years.

Today, however, it is brightening a bit for the recognition that serious mental illness is biologically caused, and because of the growing certainty that it is biologically caused and because the opportunities and accomplishments in research on mental illness rival those found in any area of biomedical science, the National Alliance recommends that this is an appropriate time for the Congress to declare war on research in mental illness. As a Nation we declared such a war on cancer, and we are winning. Similarly, the Federal Government gave all its support for the battle against heart disease, and we are winning. More persons are incapacitated by crippling, severe and long-term mental illnesses than by any other disease. More hospital beds are occupied by the seriously mentally ill than by any other disease.

If the numbers of persons afflicted and the severity of the disease is a criteria, then certainly mental illness qualifies for much greater Federal Government commitment. Indeed, Mr. Chairman, we recommend that Congress embark on a 5-year goal, of tripling the budget of NIMH. This could be done by increasing the budget 25 percent each year, beginning in the year 1985, and reaching their goal of $532 million by 1989.

Such a program would be commensurate with the full war on mental illness. It is a disease which strikes 10 and 14 million Americans, 1 in every 20. The existence of a human problem of these dimensions certainly demands this level of response. My full testimony gives evidence that this rate of expansion is consistent with high quality research.

It is important, incidentally, to realize that the budget for research today is $20 million less than it was 12 years ago. In real dollars, accounting for inflation, we ask that the committee recommend to the Congress a 1985 appropriations for NIA of a 25-percent increase over the present research budget.

No. 2, research training, we believe this subcommittee ought to increase the administration's research training budget to at least $20 million, remembering that the more researchers we have the faster we can win the war on mental illness.

No. 3, the Community Support Program. We testified last year before this subcommittee on the successes of the modest CSP, in reducing hospitalizations by 50 percent in participating States, in fostering increased State support for the chronically mentally ill at the rate of 18-State dollars for each Federal dollar. So, we recommended that this subcommittee provide $15 million for this program for 1985, including $5.5 million for the new initiative on children and adolescents.

My fourth point is on the ADM block grant. It appears certain the Congress this year will reauthorize this 3-year-old block grant and we support continuation of the block grant at the levels that may be authorized.

The fifth point, NIMH staffing. We are told that it is proposed by the administration to abolish the Office of State and Community Liaison and we believe that would impair NIMH's program ability to administer the funds, the funds that Congress is about to appropriate. We ask that the committee intervene by freezing personnel levels before it is too late and the office is destroyed.

Really, Mr. Chairman, it's up to America to face up to the problems of its mental illness. It's time for it to enlist its best scientific minds to conquer this disease and meanwhile to build effective community-based support for treatment programs to allow for the programs to allow afflicted persons to lead relatively normal lives while the search for a cure goes on.

We have not lost our hopes for a better future for these fellow citizens of ours and we look to the Congress to fulfill these hopes and make them into realities. Thank you, Mr. Chairman.

Senator WEICKER. Thank you very much.

STATEMENT OF ROBERT GREEN, DEAN, UNIVERSITY OF CONNECTICUT SCHOOL WORK AND MEMBER, NATIONAL COMMITTEE ON LEGISLATION AND ADMINISTRATIN POLICY, COUNCIL ON SOCIAL WORK EDUCATION

PREPARED STATEMENT

Senator WEICKER. Dean Robert Green of the University of Connecticut School of Social Work is our next witness.

[The statement follows:]

STATEMENT OF ROBERT GREEN

I am Robert Green, Dean of the University of Connecticut School of Social Work and a member of the National Committee on Legislation and Administrative Policy of the Council on Social Work Education (CSWE).

CSWE is an organization of 83 graduate schools of social work and over 200 undergraduate programs for social work at leading colleges and universities across the country. Over 40,000 students are enrolled in these schools and programs. There are also 4,800 other members of the CSWE, including voluntary and public, national, state and local social welfare agencies. CSWE and its members are primarily concerned with the preservation of high-quality human service programs and the preparation of professionals to serve in administrative and direct-service delivery roles in those programs.

With respect to federal legislation, the major programs with which we are concerned and for which we prepare professionals are mental health programs, social service and child welfare programs, aging service programs, maternal and child health programs and income maintenance programs. Our unique interest is in the professional training and education programs and the research programs related to these service systems, particularly research and education programs of the National Institute of Mental Health and research and service programs under the auspices of the Office of Human Development Services and research and training programs of the Maternal and Child Health Agency.

My testimony today has included in it recommendations of funding for all of these programs, but the major focus of my testimony will be upon the mental health clinical training program and the child welfare training program.

GENERAL POLICY ON
THE MENTAL HEALTH CLINICAL TRAINING PROGRAM
and
THE CHILD WELFARE TRAINING PROGRAM

There is a common policy which we recommend to you regarding professional training programs in mental health and the child welfare area. We believe that the appropriate federal role with respect to professional education in these areas is: (1) to assure an adequate supply of well trained professionals in areas where there is a demonstrable need for additional professionals, particularly in underserved areas; and (2) to provide equal access to professional education through traineeships and stipends to the most economically needy students and particularly to minority students. We think that both the mental health training program and the child welfare training program of the Office of Human Development Services should focus its educational support on traineeships and stipends to students who are economically needy and particularly minority students and that such support should be related to the eventual utilization of these students when they reach their professional careers in areas which are currently underserved by professionally trained people.

1. NIMH Clinical Training Program

The President's position on Mental Health, established during the Carter Administration, made a number of specific recommendations regarding professional education as it related to mental health service needs. These recommendations were that more professionals needed to be trained who would serve in special areas such as mental health services to children, mental health services to the aged, mental health services to minority populations and mental health services in rural areas. In FY 1983 and FY 1984 appropriation legislation, this Committee and the

Congress generally implemented this recommendation by targeting NIMH's clinical training funds on support in these priority areas. This Committee, in particular stressed the need for an equal emphasis and support among the four basic mental health disciplines: (1) social work; (2) psychology; (3) nursing; and (4) psychiatry. Generally speaking, we think that the program in mental health clinical training has been working reasonably well, although we think there needs to be greater emphasis on the quality of support among the four-core disciplines. We do not think that it is time for the elimination of this program, however. We think that it is time for its strengthening.

The President's budget for FY 1985 recommends the elimination of the clinical training program despite some evidence that it has been effectively targeted on major national priorities and needs in mental health for professional personnel. In addition, the President's budget reflects a policy to eliminate the professionals employed to relate to the professional education community and to administer the mental health training funds. We strongly oppose this policy.

We recommend a budget of at least $25 million for the National Institute of Mental Health clinical training program. A budget of at least $23 million is necessary to simply continue existing commitments which were made as the new mental health program was created in FY 1983 and 1984. An additional $2 million is necessary, in our opinion, to provide some minimum growth for new programs and to deal with priorities not yet sufficiently dealt with. We also recommend that the Committee express a policy to govern the use of these clinical training funds which emphasizes student financial assistance rather than institutional support and which emphasizes requirements that students receiving assistance serve in underserved areas throughout the country. We think that this is a fair way to relate this federal investment to the solution of our nation's problem with respect to mental health: The problem being that we do not have a sufficient number of mental health professionals serving in certain areas of the country and in certain program areas. We believe that the priority areas should continue to be education of students who would serve in programs for minority populations, children and the aged.

We also recommend that the Committee assure adequate professional staffing at NIMH for the clinical training program. Staff should be retained at least in the same numbers as in FY 1984 and with the same professional balance among disciplines. These staff persons are needed to provide for appropriate review of grants and appropriate policies regarding the education and utilization of professionals in mental health services.

2. Child Welfare Training Programs

Major initiatives were begun in the late 1970's and 1980 regarding services to children who are neglected, abused or otherwise in need of services. The Child Welfare and Adoption Assistance Act of 1980 reflects many of these commitments. This Committee has been very responsive to needs in this area. The inadequacies of staffing in public and private child welfare agencies to deal with current problems is, by now, well known. I probably need not belabor this point. A study done by the Child Welfare League and financed by the Department of HHS reviewing services in 25 states found this to be true, and it is also demonstrated by a study regarding child welfare programs in Alameida County entitled "Children in Foster Homes: Achieving Continuity of Care."

In addition to supporting federal financing for child welfare services, this Committee and Congress have supported child welfare training and education programs and a program of support for regional child welfare resource centers. The child welfare training program administered by OHDS has been cut by 50% since FY 1980 when it was $7.5 million. This program is targeted on student financial assistance and evidence shows that as of 1980 and 1981, more than 60% of the students trained with these funds have been employed in local child welfare agencies. The President's budget for FY 1985 will eliminate this program. We recommend that the program be supported at its FY 1981 level of $5.6 million which should enable the program to support approximately 600 trainees.

In addition, OHDS, through its discretionary program which uses funds from adoption assistance, child welfare research, aging programs and developmental disabilities, has funded ten regional child welfare resource centers and one national coordinating center. These programs have been funded largely from child abuse money. Despite there being an appropriation under the continuing resolution for FY 1984 regarding child abuse funds and a regular appropriation for child welfare research in the current year, OHDS has informed all centers that they will be terminated this year. These centers provide extraordinarily important support to state child welfare agencies and to educational institutions and private child welfare agencies dealing with child welfare issues. We would urge that the Committee specifically direct the continuation of support for these child welfare resource centers in FY 1985.

3. Mental Health Research

We join with other organizations in recommending a major increase for mental health research throughout the Alcoholism, Drug Abuse and Mental Health Administration. We recommend a total of $414 million for FY 1985 which respresents a 16% increase over FY 1984. Social work professionals in academic settings and in service delivery have played important roles in some mental health research. We wish to encourage that involvement.

Research of particular relevance to social work professionals relates to the social and behavioral aspects of mental illness and to the assessment of the effectiveness of treatment methods and service systems. It is likewise important that research training funds be focused on all disciplines involved with mental health including social work as recommended by the Appropriations Committees of the House and Senate in FY 1983 and FY 1984.

I thank you for this opportunity to testify and would be happy to answer your questions either now or in writing at a later date.

Mr. GREEN. I am Robert Green, dean of the University of Connecticut School of Social Work and a member of the National Committee on Legislation and Administrative Policy of the Council on Social Work Education.

The council is an organization of 83 graduate schools of social work and over 200 undergraduate programs for social work at leading colleges and universities across the country. Over 40,000 students are enrolled in these schools and programs.

With respect to Federal legislation, the major programs with which we are concerned are mental health programs, social service and child welfare programs, aging service program, maternal and child health programs, and income maintenance programs.

Our unique interest is in the professional training and education programs and the research programs related to these service systems, particularly research and education programs of the National Institute of Mental Health and research and service programs under the auspices of the Office of Human Development Services and Research and Training Program of the Maternal and Child Health Agency.

My testimony today has included in it recommendations of funding for all these programs, but the major focus of my testimony will be upon the Mental Health Clinical Training Program and the Child Welfare Training Program.

There is a common policy which we recommend to you regarding professional training programs in the mental health and child welfare area. We believe that the appropriate Federal role with respect to professional education in these areas is to assure an adequate supply of well trained professionals in areas where there is a demonstrable need for additional professionals, particularly in underserved areas; and to provide equal access to professional education through traineeships and stipends to the most economically needy students and particularly to minority students.

We think that both the Mental Health Training Program and the Child Welfare Training Program of the Office of Human Development

Services should focus on its educational support on traineeships and stipends to students who are economically needy and particularly minority students, and that such support should be related to the eventual utilization of these students when they reach their professional careers in areas which are currently underserved by professionally trained people.

Recommendations out of President Carter's administration were that more professionals needed to be trained who would serve in special areas such as mental health services to children, mental health services to the aged, mental health services to minority population and in rural areas.

In fiscal 1983 and 1984, in that appropriation legislation, this committee and the Congress generally implemented this recommendation by targeting NIMH's clinical training funds on support in these priority areas. This committee, in particular, stressed the need for an equal emphasis and support among the four basic mental health disciplines: Social work; psychology; nursing; and psychiatry.

We think that the program in mental health clinical training has been working reasonably well, although we do think there needs to be greater emphasis on the quality of support among the four-core disciplines. We do not think that it is time for the elimination of this program. Rather, we think it is time for a greater commitment on the part of the Federal Government.

The President's budget for fiscal 1985 recommends the elimination of the Clinical Training Program despite some evidence that it has been effectively targeted on major national priorities and needs in mental health for professional personnel.

In addition, the President's budget reflects a policy to eliminate the professionals employed who work with the education community and to administer the mental health training funds. We strongly oppose this policy.

We recommend a budget of at least $25 million for the National Institute of Mental Health Clinical Training Program. At least $23 million is necessary to simply continue existing commitments and an additional $2 million is necessary to provide some minimum growth for new programs and to deal with priorities not yet sufficiently dealt with.

We also recommend that the committee express a policy to govern the use of these clinical training funds which emphasizes student financial assistance rather than institutional support, and which emphasizes requirements that students receiving assistance serve in underserved areas throughout this country. We think that this is a fair way to relate this Federal investment to the solution of our Nation's problem with respect to mental health.

We do not have a sufficient number of mental health professionals. We believe that the priority area should continue to be the education of students who would serve in programs for minority populations, children, and the aged.

We also recommend that the committee assure adequate professional staffing at NIMH for the Clinical Training Program. Staff should be retained at least in the same numbers in fiscal 1984 and with the same professional balance among disciplines.

The staff persons are needed to provide for adequate review of grants and appropriate policies regarding the education and utilization of professionals in mental health services.

Mr. Chairman, I'll leave the rest of my testimony regarding child welfare training for the record; but I'd just like to point out that of the 20 minority fellowships and grant programs through NIMH the University of Connecticut has been able to receive two of those grants; one specifically earmarked for Puerto Rican students, which is a growing portion of the population in Connecticut.

This allowed us to increase our Puerto Rican student body from 3, 3 years ago to over 46 this year. We also are participating in another pending invitational grant with NIMH which will designate the school of social work at the University of Connecticut as the one school to do model-building in relation to national services for Puerto Ricans.

I thank you for the time even though I didn't get to finish everything. I will be glad to answer any questions that you might have.

Senator WEICKER. Thank you very much for your time, sir. We appreciate it.

STATEMENT OF ELEANOR S. KOHN, MEMBER, NMHA PUBLIC POLICY COMMITTEE, NATIONAL MENTAL HEALTH ASSOCIATION

PREPARED STATEMENT

Senator WEICKER. Eleanor Kohn, member of the NMHA public policy committee, National Mental Health Association.

Ms. KOHN. As I look over the list it looks like one-half the population of Connecticut is down here today.

[The statement follows:]

STATEMENT OF ELEANOR KOHN

This statement is submitted on behalf of the National Mental Health Association (NMHA), a nationwide, voluntary non-government organization dedicated to the promotion of mental health, the prevention of mental illness and the improved care and treatment of mentally ill persons. NMHA's 650 chapters and statewide divisions and its more than one million citizen members and volunteers continue in this our 75th anniversary year to work towards these goals through a wide range of activities in social action, education and information.

We hope our testimony will assist the Subcommittee with the extremely difficult task of setting federal priorities. Our organization is concerned about the 1984 budget levels in mental health programs, particularly mental health services and research. In FY 1985, restoration of parts of these substantial reductions are essential to ensure progress in serving mentally ill persons, and in reducing the incidence of and preventing mental illness.

COST OF MENTAL ILLNESS

The scope of mental illness in America staggers the imagination. Mental illness now costs America at least $67.4 billion each year in medical care, lost productivity, and social welfare programs. More than 34.4 million persons in the United States are affected by mental disorders during the course of a year, which is more than the population of New York, Texas, and Iowa combined. Mental disorders lead the list in days of hospitalization, accounting for almost 260 million hospital days, which represented just under 30 percent of the total from all causes for admission.

Yet we continue to inadequately fund mental health research, and to accept a distorted service system which unnecessarily places people in institutions instead of providing early treatment which may prevent debilitating (and costly) illness. Both the private sector and all levels of the public sector share in the blame for this; nevertheless, the federal role has been the most progressive and productive in seeking to prevent the mental illnesses and restore individuals with a mental illness to full functioning as quickly as is feasible.

We cannot, as a society, afford to neglect this important aspect of health care. A wealth of studies now show the link between physical and mental health, as well as the cost-implications of failing to address the mental health needs of the population. For instance:

- people with good mental health tend to live longer and have fewer diseases than people with poor mental health;
- different personality factors cause certain kinds of cardiac disease;
- in grief, people's immune mechanisms alter so that they cannot defend themselves as well against infectious diseases.

Many physical ailments have been linked to emotional problems, and practitioners are beginning to understand that emotional and physical health are highly interrelated. When a mental health service is incorporated into the delivery of general health services, there is a substantial cost-offset resulting from reduced utilization of medical/surgical services.

When American business addresses the need for adequate mental health services for employees, studies indicate substantial cost savings are achieved. Based on data compiled by large companies, the Washington Business Group on Health concluded that the benefits of psychiatric coverage were: improved employee productivity; reduced absenteeism; improved employee morale; reduced hosital/surgical/medical utilization; and lower insurance premiums.

Yet the FY 1985 mental health budget proposes again an extremely low level of funding for mental health services including elimination of the important Community Support Program for chronically mentally ill persons and seriously emotionally disturbed children. The President's request for mental health research is also woefully inadequate, despite highly promising research in this field, and the mental health clinical training program is to be phased out.

NIMH RESEARCH

The opportunities and the accomplishments seen in mental health research today rival those found in any area of biomedical science. Sophisticated new technologies and research methodologies are being applied to studies of the origins, treatment, and prevention of the mental illnesses. The net effect, in 1984, is an increasingly precise knowledge of why and how people become mentally ill and of what can be done to help them.

Thirty-three years ago we knew about the existence of two neurotransmitters, the chemical messengers linking one nerve cell with another. Today, more than 30 neurotransmitters are known to operate the biochemical circuitry of the brain and spinal cord, and we anticipate there are more to be found.

The National Institute of Mental Health (NIMH) funds research in two ways: extramural research is funded through grants, and contracts made to investigators affiliated with hospitals, academic and research institutions and other organizations. The NIMH intramural program operates through laboratories located on the campus of the National Institute of Mental Health. NIMH supported research comprises the bulk of research on serious mental illness being done in the United States. In fact, NIMH is recognized as the world's leading research establishment in brain science.

A measure of the quality of NIMH research is evident in the numerous key scientific awards that are going to mental health investigators. In 1983 the prestigious Albert Lasker Award for Basic Medical Research was won by longtime NIMH grantee Eric Kandel of Columbia University. The roster of NIMH-funded researchers includes two recent Lasker Award winners and three Nobel laureates since 1970.

However, over the last twelve years, NIMH research has lost substantial buying power, despite small increases in its budget. The following table analysis the NIMH research budget from three different perspectives:

Actual Dollars — This is the actual amount appropriated each fiscal year since 1972.

Constant Dollars—This is the buying power of the amount appropriated, adjusted for inflation.

Indexed Dollars— This is the amount that should have been appropriated each year if the amount had just kept pace with inflation.

	CONSTANT DOLLARS	ACTUAL DOLLARS	INDEXED DOLLARS
1972	$ 95.5	$ 95.5	$ 95.5
1973	81.3	85.2	100.1
1974	80.9	90.1	106.4
1975	75.1	92.6	117.8
1976	70.8	93.8	126.6
1977	72.7	104.1	136.7
1978	72.3	111.2	146.9
1979	78.6	130.9	159.0
1980	79.0	143.5	173.4
1981	70.1	140.3	191.2
1982	66.8	143.8	205.6
1983	70.3	158.3	214.9
1984	74.9 (est.)	174.1	225.0 (est.)

There are approximately 35 million cases of mental illness a year more than cancer, diabetes, kidney and neurology conditions combined. The amount spent on mental health research in terms of per case of illness is only FIVE DOLLARS ($5.00) per case. This compares with $168 spent on cancer research per case of cancer, $16 spent on diabetes research per case of diabetes; and $10 per case of kidney and neurology conditions. This gross disparity in research effort is compounded by the reality that only 15 percent of the funds that support research in the mental health arena are provided by non-governmental sources, while in other areas of medicine the amount is closer to 45 percent.

The President's FY 1985 request for research is once again a reduction of funds available if the impact of inflation is taken into account. Given the extremely high promise in the field of mental health research, especially in neuroscience, this is extremely poor public policy.

APPROPRIATIONS			FY'85	PRESIDENT'S	NMHA
FY82	FY83	FY84	AUTHORIZATION	1985 REQUEST	RECOMMENDATIONS
141.2	158.7	174.3	open	177.6	205.0

A $205 million appropriation as recommended by the NMHA, on the other hand, would support important recent progress in mental health research. It would permit NIMH to award approximately 75 additional extramural research grants to take advantage of research opportunities to investigate the neural basis of aggressive behavior, parental mental illness and outcome in children at risk, electronic mapping of the brain of schizophrenics, sleep disorders, effects of hormones on depression, psychiatric emergencies among the aged, as well as other areas. Also, this level of appropriation would allow for increases in intramural research into genetic components of mental illness, and into predictors of suicide and violent behavior, and other new research.

Restoring cuts made in mental health research and stopping its erosion are of the utmost importance. Further research is needed but continually hampered by low funding levels. For instance, treatment of chronic and recurrent disorders, causes, treatment and prevention of depressive disorders as they affect specific groups, and the diagnosis of schizophrenia are three areas of mental health research which need increased emphasis.

Congress can prevent the further erosion of mental health research, and the potential loss of many skilled scientists who have been working in this arena, by restoring the cuts made in mental health research, and providing an increase to compensate for the impact of inflation in recent years.

ALCOHOL, DRUG ABUSE AND MENTAL HEALTH BLOCK GRANT (ADM)

Services for populations identified as a priority by Congress in the ADM Block Grant legislation—chronically mentally ill, elderly and children—are still drastically less than what is needed. Since the transition from categorical services program in 1981 to a block grant to the states in 1982, services components of the agency were phased out, actual obligations for services budget decreased from $543 million to $432 million and direct operations budget was reduced from $79 million to $58 million.

These cuts have been a major factor in the nationwide reduction in the level of community mental health services. For example, services for chronically mentally ill adults are so inadequate that thousands are now homeless and on the streets. A recent survey of CMHCs found that since the block grant program was implemented there has been a marked decrease in CMHC aging programs: sixty-four percent of the CMHC's indicated that they once had, but no longer have, aging programs. The number of babies born, 140,000 in 1983, with some physical or mental disorder will raise the current estimate of 7-10 million children in need of mental health services: up to 3 million of those children are estimated to have chronic mental illness, with less than 1 million receiving any treatment at this time.

Looking at the funding history of the ADM block grant in comparison to other social service and health block grants shows why there has been this reduction in services. The authorization levels that were intended to be actual appropriation levels under the Omnibus Budget Reconciliation Act of 1981, were met for almost all programs except the ADM block grant:

	FY 1984 AUTHORIZATION	FY 1984 APPROPRIATION	APPROPRIATION AS % OF AUTHORIZATION
Social Service Block Grant	$ 2,500.0*	$ 2,675.0	107%*
Maternal & Child Health Care Block Grant	373.0	399.0	107%*
Primary Care Block Grant	327.0	327.0	100%
Preventive Health & Health Services Block Grant	98.5	88.2	90%
Alcohol and Drug Abuse & Mental Health Block Grant	532.0	462.0	87%

(in millions)

*Authorization for Social Services & the Maternal and Child Health Care Block Grants were increased so as to allow for the increased appropriations.

Legislation has been introduced in both House and Senate reauthorizing the ADM block grant. The Senate bill, S. 2303, which has been ordered reported by the Labor & Human Resources Committee is disappointing because the funding levels are far too low—FY 1985 $490.0 million, FY 1986 $486.5 million, FY 1987 $501.1 million. This continues the discrimination which has been seen in the past.

The President's request of $472 million for the total block grant would make approximately $226 million available to states for community mental health services. Considering the impact of inflation, this will result in a decrease in services. When compared with FY 1981 spending ($324 million), the President has requested a decrease in community mental health dollars, exclusive of inflation. Such a cut, combined with state budget pressures and constraints on related programs including Medicaid, Social Services, and social security disability generates increasing pressures for more costly and often inappropriate hospitalization and institutionalization. Ironically, this is occuring at a time when the Department of Halth and Human Services reports that community mental health programs are having a significant increase in their caseloads.

APPROPRIATIONS			FY 1985 AUTHORIZATION	PRESIDENT'S 1985 REQUEST	NMHA RECOMMENDATION
FY'82	FY'83	FY'84			
432.0	468.0	462.0	Pending	472.0	532.0*

(in millions)

or the maximum amount authorized by the renewal bill.

Our recommendation of $532 million would provide for a reasonable increase in services to help accommodate significantly increasing demands due to the impact of previous federal and state budget cuts in related services. This recommendation represents the full FY 1984 authorization level, still substantially below 1981 spending levels. If the reauthorization legislation, S. 2303, is passed, our recommendation would have to change in order to conform to law. To this end NMHA would strongly recommend the maximum amount authorized by the renewal bill, $490.0 million, because without an increase, we can expect a significant lack of services resulting in added costs to society through increased severity of disability, increased family disruption, and decreased productivity.

COMMUNITY SUPPORT PROGRAM (CSP)

The ADM renewal bill, presently under consideration in the Senate (S. 2303), establishes a federal services demonstration program, which would encompass the Community Support Program. S. 2303 authorizes grants to states, political subdivsions of states, or private non-profit agencies generally for no more than three years. The authorization level is $20.0 million for each of the fiscal years 1985, 1986, and 1987. NMHA is pleased with S. 2303 because it recognizes the importance of the Community Support Programs.

Between 3 and 4 million persons in the United States suffer from chronic or long term mental illness. Approximately 900,000 such persons are in hospitals or nursing homes, often because of lack of appropriate care in the community. Additional thousands have been discharged into communities which are ill prepared and poorly organized to provide the necessary treatment, rehabilitation and support services. The goal of CSP is to promote statewide improvement of opportunities and services for chronically mentally ill persons in each state of the nation. This is done through grants for projects designed to assess the needs of the population, work with state and local agencies to identify and fill service gaps, reallocate existing resources, and demonstrate and evaluate new local service delivery models.

CSP is the only federal program specifically directed toward improving services for chronically mentally ill persons. Started in 1977, CSP addressed some of the most intractable problems related to deinstitutionalization and the development of comprehensive community based services for chronically mentally ill persons. Evaluations of the first 19 projects show that as a result of the federal investment, significant state and local resources have been allocated for services for this population, and these projects have contributed to a substantial drop in hospitalization in the group (from a average of 65 days per year to less than half than, 32 days per year). These and other findings from their surveys are strong evidence that the CSP is an important factor in upgrading the country's mental health service delivery systems.

When NIMH did their first client survey in 1980, CSP was serving nearly 4,000 individuals in 17 states. This year the estimate is that the program currently serves more than 90,000 individuals in about 39 states.

Other evidence that the CSP works comes from South Carolina Mental Health Association. That state's Community Support Program has been counting CSP patients released from institional care since July 1. At the end of November, 120 of the targeted 400 patients had been returned to community life. These are generally people who have been long term patients and are in addition to regular discharges from Department of Mental Health hospitals.

Among the activities under CSP are projects to work with family and self-help groups and give staff training in case management and psychiatric rehabilitiation. Training will also be provided for boarding home operators and their staffs.

Because the CSP program design is applicable to helping states improve statewide service systems for children and adolescents with severe mental illness and disability, Congress acted last year to establish a State Child and Adolescent Services System Program. The goal of this program is to insure availability of comprehensive and coordinated systems of care for mentally disturbed children and youth in communities.

There are 3 million children and adolescents in the U.S. suffering from severe mental disabilities. Recent studies show that two-thirds of these children and adolescents are not receiving services they need and many others receive inappropriate or excessively restrictice care.

Despite the fact children with severe mental health problems invariably require a range of mental health, health, social service and education services, service delivery systems in most communities are fragmented and uncoordinated. Children and youth with serious problems receive service in an uncoordinated and piece meal fashion, if at all.

In response to the announcement of the children's program, NIMH received 44 applications for a total of $ 7.4 million. The fact is in FY 1984 only $1.5 - $2.0 million will be available, only allowing 8-10 application requests to be granted, which indicates the unmet need.

APPROPRIATIONS FY82	FY83	FY84	FY 85 AUTHORIZATION	PRESIDENT'S FY85 REQUEST	NMHA RECOMMENDATION
5.8	6.0	7.0	open	0.0	14.9

The 44 applications show states feel there is a need that must be addressed which currently is not. Pending passage of S.2303, Congress should appropriate in FY 1985, $14.9 million allocated as follows:

A) Community Support Programs (CSP)
- $ 7.2 million for continuations (36 CSP adult projects)
- $ .60 million for supplements to state CSP projects (homeless and research demonstrations)
- $ .60 million for technical assistance activities.

B) Child and Adolescent Service System Programs (CASSP)
- $ 2 million for state CASSP project continuation
- $ 3 million for new CASSP grants
- $ .50 million for technical assistance activities

C) $1 million for State Service System Research for adult CSP and child and adolescent CSP programs.

If S.2303 is enacted, then Congress should appropriate in FY 1985 the full authorized amount of $20 million. These funds will allow funding of the above programs as well as new projects in other areas of unaddressed needs, such as mentally ill persons who are homeless and elderly mentally ill persons.

RESEARCH TRAINING

The goal of the NIMH research training program is to assure a continuing and adequate supply of well-trained personnel able to conduct research on mental health problems. This program provides funds to institutions and fellowships to individuals at both the pre-doctoral and post-doctoral levels. Programs to insure the availability of sufficient numbers and appropriate types of well-trained scientists are critical to the stability of the mental health research enterprise.

The training of researchers takes five to eight years of graduate and post-graduate study. The effect of inadequate funding will result in serious and irreparable knowledge loss which will be seen in later years if a substantial propoгition of present cohort of trainees abandon research and go into non-mental health areas where funding is available.

survey conducted by the General Accounting Office proves mental health researchers and academics earn less income than other colleagues of the same disciplines in other careers, and that individuals do "pay back" the support through years of teaching and research service.

In research training, the President once again requests level funding for this program, continuing the decrease in buying power for mental health training. The effects of this, will be a serious lack of mental health researchers in years to come. The National Academy of Sciences has urged that NIMH support about 1,550 trainees in 1985. The President's request would allow only 878 trainees to be supported.

APPROPRIATIONS FY82 FY83 FY84	FY 85 AUTHORIZATION	PRESIDENT'S FY85 REQUEST	NMHA RECOMMENDATION
15.4 15.4 15.4	open	15.4	20.0

The NMHA increase in research training funds would allow NIMH to support 1,200 trainees, including new awards made to clinical investigators, which are designed to simulate the supply of needed clinical researchers.

STATE MENTAL HEALTH PLANS

The ADM renewal bill, S. 2303, would provide a general blueprint for development of the effective and efficient use of various resources to fund mental health treatment and related community support services for mentally ill persons, particularly those with a chronic mental illness, or who are seriously disturbed children or elderly individuals. This bill authorizes state planning initiatives to assess the utilization of funds in the public and (to the extent data is available) private mental health system, and the funds available to fund community support services for the mentally ill person (such as rehabilitation, housing, social services, income maintenance). This process would allow states, probably for the first time, to take a comprehensive look at the use of funds channelled through various state agencies, many of which came from a variety of federal rvices.

Although a minimum allotment has not been established, funds would be taken from NIMH general appropriations. NMHA's recommendation to start this planning is $5 million.

CLINICAL TRAINING

NIMH has played a major role in the development of quality mental health clinical training in this country. For the fourth consecutive year President Reagan has proposed the termination of federal support for this vital program. The proposal comes at a time of a national shortage in the supply of mental health professionals and at a time when NIMH is implementing a rigorously reviewed, exacting, and highly competitive clinical training program. This has entailed a fundamental and comprehensive redirection of its training programs to develop professional and para-professional manpower to deal with underserved populations, including severely disturbed children and youth, the elderly, minorities, and chronically mentally ill persons, as well as that large segment of the population with disabling emotional problems.

NMHA also urges Congress to appropriate funds for students interested in pursuing careers in mental health, so as to assist them with the high cost of their education. Under ection 803 of PL 96-398 such stipends require that the student "pay back" this assistance by working in public institutions, CMHCs, and other similar programs. Thus, funding student stipends serves a duel purpose of adding to the manpower pool and insuring that such manpower will be available to the public sector.

Congress should approve the appropriation of $21 million for mental health clinical training.

APPROPRIATIONS FY82 FY83 FY84	FY 85 AUTHORIZATION	PRESIDENT'S FY85 REQUEST	NMHA RECOMMENDATION
42.2 20.6 21.0	open	0.0	21.0

NIMH POSITIONS

The President's budget calls for a reduction in NIMH positions to 971 employees, a cut of 74 employees. This reduction, when considered in combination with the reduction ordered in 1980, means that during the last four years the NIMH staff has been cut by more than half. This cutback will result in a great weakening of activities in the area of mental health services in particular, and in the Clinical Training Program.

Congress is currently considering, and this Association fully supports, legislation which authorizes services demonstration projects and increased technical assistance to states and localities upon request (S.2303). If that legislation is enacted, NIMH must continue to maintain a cadre of qualified individuals in its Office of State and Community Liaison. Although the Administration has requested no funding for the Community Support Program, should Congress act to reinstate that program as it has in the past, qualified individuals will be needed in the NIMH to run CSP.

Yet, according to plans announced by Dr. Larry Silver, Acting Director of NIMH, the cutbacks in positions will result in the abolishing of the Office of State and Community Liaison. NIMH also has announced plans to eliminate the Clinical Training Division.

We have urged appropriations for both of these programs. At the same time, given the magnitude of current design of the NIMH reduction in force, we urge that along with program funds, the Committee appropriate sufficient resources to enable NIMH to maintain the Office of State and Community Liaison and the Clinical Training Program. We also urge that the committee specifically urge the NIMH, when making any reductions that may be necessary, not to abolish nor seriously weaken, the Office of State and Community Liaison, which has provided critical national leadership in recent years and continues to be needed for those services to state and community service delivery systems.

Ms. KOHN. I come from the National Mental Health Association. I come from Danbury, CT. I've been a volunteer with the organization for more than 30 years now.

The association, as you probably know, is devoted to promoting mental health and preventing mental illness, and there are about 1 million volunteers like me around the country. Somebody told me that anybody who comes before Congress these days and asks for additional money for health programs ought to have her head examined. Maybe it's appropriate that I come from the Mental Health Association because I'm here to ask for more money for health programs, but I'm doing it with recognition of the fact that there is data, good data available that tells us that putting money into these mental health programs is cost beneficial.

You are in a position of having to look at the cost benefits of these programs. I suspect that one of the No. 1 items on your agenda is cutting health costs and we feel very strongly that additional funding in the Mental Health Program will, in fact, accomplish your agenda as well as meet our objectives.

Some of the facts are—and you've heard some of them already—there are 35 million diagnosed cases of mental illness in this country. That's more than cancer and diabetes and neurological disorders and kidney disorders put together. That population of mentally ill patients or mentally disordered patients accounts for 30 percent of all the hospital admissions in the country.

That is certainly an important factor in driving up health costs. They use medical services twice as often as other patients do. The cost to this Nation has been estimated at something like $67 billion a year to provide for the direct and indirect care of the mentally ill.

When you look at all that data it follows just like night follows day that if we can put more resources into solving these problems we will, in fact, cut health care costs across the board. We need to more fully understand. We need to better treat. And I guess, in the long run, we need to be able to prevent mental illness.

I think that those prospects are on the horizon now. We've made tremendous strides.

You know, about 30 years ago when I started in the mental health field I used to spend time as a volunteer at Fairfield Hill Hospital. It wasn't unusual then to see a depressed patient sitting on those wards for a year, for more than a year.

Those same patients today, because of the strides that have been made in treating them, most of them, many of them are back at their jobs in 6 weeks. That's tremendous progress.

There has been an absolute explosion in the understanding of brain chemistry, the brain sciences. There was a question before about addiction.

Last Thursday I spent a day at Yale sitting in on a review of some of the research that's going on there. They're beginning to understand the place in the brain where addiction seems to develop. They're able to stimulate addiction and to turn it off.

It seems to be in the same place of the brain where anxiety and fear originate. The possibilities that that opens up for understanding and for effectively treating addiction and all of its concurrent problems is absolutely astounding.

I think all of us know about the promise of the new scanners, the PET scanners, the CAT scanners, the new NMR. Last year I was at the University of Chicago and I actually saw the brain of a schizophrenic patient before medication was administered.

Ten days after medication was administered you could see the changes in that brain. You could see the changes in the way the brain was thinking and functioning.

Once again the prospects of that kind of scientific advancement are tremendous. Any country that can afford to put $100 million into the maintenance of military marching bands as we are doing can afford to put something over $200 million into mental health research; and we're asking that you consider that not to fund this field at this point in time is false economy.

A word about community service programs. Once again, a little bit of my own experience. Fountain House, which is the very model of community service programming in New York, was visited last year.

I met a little lady there who had been in the ward of a State hospital for almost 30 years, the back wards. She was turned out in the community and fortunately was linked up with Fountain House.

She didn't know how to shop. She didn't know how to take a bus. She didn't know how to prepare food. Fountain House helped her to do all of that.

She is now working, putting labels on clothing at Sears warehouse. She's become a productive member of society. She has achieved some kind of independence and the community support programs are doing these kinds of things for the chronically mentally ill.

In Connecticut we're beginning a model of this Fountain House program. It is needed. The chronically mentally ill are a problem in every municipality in the country and we're asking that you consider continuing increasing funding for that program.

I have to quote back to you something that I pulled out a New York Times article which you wrote a couple of weeks ago. "National security is not just a defense budget. It's the sum total of many factors including the quality of life."

We're asking you to consider that as you put down your figures for mental health services, for mental health research, for mental health research training and clinical training.

Thank you for the opportunity.

Senator WEICKER. Let me say to you, No. 1, thank you for your testimony; and everybody should feel the same way. When you said it was rather awkward to come before the Congress at this time to ask for additional funds I don't think that's true as far as this committee is concerned.

We are very much interested in those areas under our jurisdiction, which brings all of you here; and nobody is giving this committee any orders as to what we should or should not do.

Point No. 2, I think that you can expect that the committee recommendations across the board for NIMH, NIH, et cetera, will be quite different from those proposed by the administration.

Ms. KOHN. That's very reassuring.

Senator WEICKER. Then last it is true, as I said in that particular article that the strength of the United States of America is more than a piece of hardware. I think we've seen enough in the public and heard enough in hearings today that this should come to the realization of the American people.

Now, having said that, let me also state, everybody is referring to Reagan's emphasis on the defense budget. That is his emphasis. He is President of the United States.

But I'll say one thing. Ronald Reagan is not able to do what he wants alone. Either with active agreement or, passive acquiescense the American people are involved in their own Government.

To quote Ben Franklin, "Here the people rule." Quite frankly, the people right now are dead in the water for whatever reason, it doesn't make much difference.

I find it appalling that we deal with millions, which is an impressive figure; but in relationship to the overall, both in terms of the good that can be done and the cost savings that can be achieved, what we're talking about here is peanuts. It really is in comparison with the national budget.

If the American people feel that drug abuse, mental illness, and various other diseases are important as far as the national fabric is concerned, and would like to gain control of this to promise a better quality of life, then they better say so. It's not enough just to have one committee speak.

Ms. KOHN. We have 1 million of us out there who are knocking on doors and we're going to continue to do that.

Senator WEICKER. Well, I would hope so.

Ms. KOHN. It's very, very encouraging to get that message from you. I'll see to it that it gets passed along to the million behind me.

Senator WEICKER. Thank you very much.

Ms. KOHN. Thank you.

STATEMENT OF BETSY REVEAL, DIRECTOR, DISTRICT OF COLUMBIA OFFICE OF THE BUDGET

PREPARED STATEMENT

Senator WEICKER. Betsy Reveal, director of the DC Office of the Budget. Ms. Reveal, go ahead.

Ms. REVEAL. Good morning, Senator. How are you?

I believe you have a statement that we have submitted for the record and I would just like to briefly highlight it, and then answer any questions that you may have, Senator, about the District's current planning, the financial situation with respect to Saint Elizabeths Hospital, or the status of the commitments made by the District during last year's budget discussions.

[The statement follows:]

STATEMENT OF BETSY REVEAL

I appreciate the opportunity to appear before you today. As your Committee considers the budget of Saint Elizabeths Hospital, I want to be sure that you have complete information about District activities and budget commitments to implement the Mayor's plan to take over full responsibility for normal state and local mental health functions by 1991.

As you know, the long standing problem of the relationship of Saint Elizabeths Hospital and the District Government has been a source of controversy in every administration since the 1950's. Although there is now general agreement that the District should assume responsibility for the provision of mental health care to its citizens, the conversion of the existing system to an integrated modern one is a challenge that has not yet been mastered. Although many groups, sponsored by administrations of both parties, have attempted a solution, none has yet satisfied all the competing and complex interests at stake. Mayor Barry has therefore taken the initiative, and put forward the District's own plan.

For too long the Hospital's budget and financial needs have framed the debate. Our plan takes a different approach. It puts quality care for District residents first. We are defining the services we should provide, to whom, and in what sequence they should be implemented. The Mayor has directed a number of actions to implement this plan.

At this stage of FY 1984 we have already transferred to the District the drug and alcohol service previously administered by the Hospital. We have nearly completed the transfer of all remaining patients who were inappropriately placed at the Hospital due to the previous shortage of nursing home capacity. In cooperation with Hospital officials we have taken extraordinary steps to ensure that the commitments made to Congress during the FY 1984 budget process were accomplished.

In addition, an impressive new Mental Health Services Administrator, Dr. Gladys Baxley, has been recruited. A distinguished and hard working citizens Advisory Committee is working closely with the District Government to refine the standards and scope of the services we will provide. Among other issues, the committee is considering ways to take maximum advantage of the physical and professional resources of the Hospital, although we cannot assume responsibility for the entire institution. We expect to complete this phase of the task in June.

The proposed District budget reflects our major commitment to additional mental health resources in FY 1985. In addition to allocating $35.2 million to Saint Elizabeths Hospital, and maintaining over $20 million in community-based services, $13.5 million in new funds are allocated to the support of newly transferred patients and functions and expanded community-based services.

The next critical step will be to define what has never before been clarified: which clients now receiving mental health care services in the District of Columbia are the financial responsibility of the District Government and which are the federal government's. Draft legislation which the District will forward to Congress shortly will present an opportunity to consider and legislate those essential definitions.

This is the direction we are heading. It is a positive one and it will produce a comprehensive District mental health system which works.

There remain, however, some difficult problems which are beyond the authority of the District to resolve independently. You are already aware of the difference in contributions assumed in the President's and the District's budget (totaling $19.8 million). I am sure you are also aware of our deep concern that the federal government will not honor its commitment to those federal employees at Saint Elizabeths Hospital who cannot be absorbed into the realigned system. We want to work with the Congress, the federal government and employee representatives to minimize these problems.

I think it is clear, Mr. Chairman, that the District Government is serious about solutions, is responsible and constructive in its approach to this seemingly intractable problem, and is putting dollars and resources behind its plan.

But we simply cannot afford to finance an increasingly large share of the Hospital's costs, and simultaneously develop the kind of system that advocates, providers, and District citizens believe we must have. We cannot afford to finance a 330 acre and 100 building plant which we do not need. We cannot afford to direct more resources toward the cost of an outdated and unbalanced hospital system over which we have no control.

We are working with the Congressional Committees which have oversight of these matters to develop an equitable transition financing plan, which will assure that harm does not come to patients, and that the District will accept its full and appropriate responsibilities by the end of the six year transition period.

We ask that the actions you take with respect to the Saint Elizabeths budget recognize and be consistent with the Mayor's plan.

Ms. Reveal. As you know, there's been a longstanding problem, fairly intractable problem involving the relationship between Saint Elizabeths Hospital and the District government and its ultimate financing. I think in the last year we made enormous progress in terms of trying to solve this problem, in particular for the first time, I think, having general agreement that the District can and will assume responsibility for the administration and financing of a local mental health care delivery system; a delivery system similar to those supported by all other State and local governments in this country.

For too long we think the hospital's budget has been the focus of the debate rather than the quality of mental health care services in the District of Columbia for District of Columbia residents. In January of this year, the Mayor took some initiative to put out a plan for the transition to our own system, something that we had not previously done.

That plan is under active design at the moment. We have a very impressive committee appointed that is preparing the details to implement that plan and we'll shortly be sending legislation forward to Congress to propose to legislate certain definitions about who we should pay for and who we should serve, and what that relationship should entail.

As you know there is some difference still between the President's budget and the District of Columbia's budget, which is now also before Congress, about the contribution to the hospital in fiscal year 1985. We do have some elements of a solution to that we believe that are part of the legislation that will be coming forward.

Our basic position is that we want to define who the District government should pay for and then assume that responsibility.

We have budgeted in our request $35.2 million for direct contribution to the hospital and also an additional $14 million for community-based mental health services in the District that represents, in our rather small budget, quite a significant new contribution in fiscal year 1985.

We certainly are prepared to work with Congress and appreciate your committee's willingness to talk with us and your staff's interest in working with the District on this matter; and I hope that over the next several weeks we'll be able to resolve both the budget problem and the programmatic issue.

Let me just very quickly, for your information, review the status of the commitments we made last year during the budget debate. We have, I'm pleased to say, successfully made the transition from a Saint Elizabeths Hospital run to a District run drug and alcohol program. That involved 89 patients.

We're very, very pleased that the transition is complete and has been smooth. Dr. Shamwell, who headed that program for the hospital, has not moved over to direct the District-funded program and we're very pleased that we've been able to consolidate in one building at Saint Elizabeths that particular service.

We're now leasing from the hospital a consolidated building and we're very pleased about how that has gone.

We also have successfully placed over 100 regular nursing home patients. These are all of the regular placements referred by the hospital this fiscal year. We are in the process of placing an additional 50 community residential placements, persons that have more specialized needs for community care.

We're also working very hard on trying to develop with the hospital appropriate plans for special care of nursing home patients. By June of this year, even though we are a few months behind in our commitments, we're confident that all of those placements will have taken place.

We have provided additional funds in our 1985 budget to continue the support of all of those outplacements.

I would be happy to answer any questions you have about the District's position at this point. Again, we appreciate your committee's interest.

Senator WEICKER. Thank you very much. Staff will be working with you.

Ms. REVEAL. Thank you, sir.

STATEMENT OF DR. ROGER E. MEYER, PROFESSOR AND CHAIRMAN, DEPARTMENT OF PSYCHIATRY AND SCIENTIFIC DIRECTOR, ALCOHOL RESEARCH CENTER, UNIVERSITY OF CONNECTICUT HEALTH CENTER

PREPARED STATEMENT

Senator WEICKER. The next witness is Dr. Roger Meyer, professor and chairman of the department of psychiatry, scientific director of the Alcohol Research Center at the University of Connecticut Health Center at Farmington.

Dr. Meyer, welcome.

Dr. MEYER. Another Connecticut resident.

[The statement follows:]

STATEMENT OF DR. ROGER E. MEYER

My name is Dr. Roger E. Meyer. I have been Professor and Chairman of the Department of Psychiatry at the University of Connecticut since 1977, and Scientific Director of the NIAAA-supported University of Connecticut Alcoholism Research Center since 1978. I am here today to testify in support of an increase in the appropriation for the National Institute on Alcohol Abuse and Alcoholism. Since 1981, I have been a member of the Clinical and Psychosocial Research Grant Review Committee at NIAAA; and I have been Chairman of that committee since 1983. My term runs through June, 1985. In my role since 1978 as grant recipient, and since 1981 as grant reviewer, I have been a witness to the impact of the budgetary process on research opportunities in the field of alcoholism. In 1977 when our university applied for one of the alcoholism research center grants, this new program of research support represented the first major new initiative since the establishment of NIAAA. Indeed, had the Senate not taken its own initiative to create the centers' program, it might never have come into existence.

Throughout the glory days of biomedical and mental health research in the 1960's and into the 1970's, alcoholism research was largely treated like a stepchild. It was as though alcoholism was not a major health care problem in the United States. As we know, alcoholism is a major cause of death, disability, family violence, automobile accidents and homicide -- and was the most prevalent form of mental disorder found in the NIMH supported Epidemiological Catchment Area (ECA) study reported in 1983. Starting in the mid-1970's, a number of commissions and committees (including two Presidential commissions) began to describe the needs and opportunities for research in the field of alcoholism. Perhaps the most comprehensive analysis was conducted by the Institute of Medicine and published in 1980. This report highlighted research needs and opportunities in six areas: biochemical/genetic; neuropharmacological; clinical and epidemiological; psychosocial; prevention and treatment. It was followed in 1983 by a research planning panel report constituted by the Administrator of ADAMHA (Alcohol, Drug Abuse and Mental Health Administration). These reports highlight the interrelationship between the different components of the alcoholism research support program: the need for substantially greater investment in investigator-initiated grants; the need to fully fund the existing alcoholism research centers; and the need to continue to attract new investigators to the field through postdoctoral training programs, new investigator research awards, senior fellowships, and research scientist development awards.

The documentation of the needs and opportunities for research in the field of alcoholism since 1976 is, I believe, as strong as in any other area of our biomedical research enterprise. In fiscal years 1982 and 1983, the executive and legislative branches began to draw attention to the need for research in this field by making more funds available for research. In fiscal year 1984, the Administration's request for the first time exceeded the amount actually approved by the House and Senate but there was continued growth in the budget. As a member of the Clinical and Psychosocial Research Grant Review Committee, I have seen at first hand the impact of this support on research. In fiscal year 1981, our committee reviewed 111 grants for an approval rate of 33.6%; in 1982, we reviewed 100 grants with an approval rate of 30%; in fiscal year 1983, we reviewed 268 grants with an approval rate of 39.9%; and in the first round of fiscal year 1984, we have reviewed 62 grants with an approval rate of 62%. The Institute is attracting substantially more grants, of excellent quality, which makes for strong competition for funding and first-class science. Finally, in fiscal '84, for the first time since the establishment of the National Alcoholism Research Centers' program in 1978, all centers are being funded at levels approved by Council.

At this critical juncture in the development of our national alcoholism research program, the Administration's proposal for fiscal year '85 represents a slowdown in growth that will prevent NIAAA from achieving parity with NIH and the other ADAMHA institutes. At present, NIAAA funds only 28% of all approved grant applications, whereas NIH and the other ADAMHA institutes fund at least 39% of all approved applications. An additional $4.2 million on top of the Administration's proposal would be necessary to maintain parity in this area. An additional $1.1 million is necessary to fund all nine centers at full Council-approved levels. As Director of one of these centers, I feel especially strongly about this particular item. When investigators join together to develop a research center with clear research, training and public education functions, they do not expect that their research support will be substantially less than necessary to conduct their research, while the research support given to individual investigators who are not joined together in a center can be fully funded. The Research Advisory Panel to ADAMHA found that the alcoholism research centers were a "valued asset for the field, not only because of their research contributions but also because of their substantial research training function....Both their achievements and their size give alcoholism research.... visibility to the public and to the research community at large that dispersed individual investigators cannot accomplish....They have served as a valued resource of expertise and research materials....Their size should be determined by review of scientific merit and should not be influence by administrative exigencies." I reiterate, an additional $1.1 million is necessary to fund all nine centers at full Council-approved levels.

Finally, a continuing research program of high quality requires a consistent infusion of new trainees and funded investigators. An additional $3.5 million is essential in order that NIAAA may fund an additional 184 trainees to equal 7% of the institute's total research expenditures. This is the same percent as NIH and the other ADAMHA institutes.

At a time when alcoholism research was functioning as a stepchild in the national biomedical research enterprise, the Senate, in its wisdom, gave these programs a major thrust through the establishment of the Alcoholism Research Centers program in 1978. Indeed, the Senate has been extremely supportive of alcoholism research. Your support for additional funds beyond the Administration's request is needed.

Thank you very much.

Dr. MEYER. Mr. Chairman, my name is Roger Meyer. I have been professor and chairman of the department of psychiatry at the University of Connecticut since 1977, the scientific director of the NIAAA-supported Alcoholism Research Center there since 1978. I am here to testify in support of an increase in the appropriation for NIAAA.

Since 1981, I have also been a member of the clinical and psychosocial research committee at NIAAA. I have been chairman of that committee since 1983 and my term runs through June 1985.

In my role since 1978 as grant recipient and, since 1981, as a grant reviewer I have been a witness to the impact of the budgetary process on research opportunities in the field of alcoholism. In 1977, when our university applied for one of the Alcoholism Research Center grants, this new program of research support, the centers program, represented the first major new initiative since the establishment of NIAAA.

Indeed, had the Senate not taken its own initiative to create the centers program it probably would not have come into existence.

Throughout the glory days of biomedical and mental health research in the 1960's and into the 1970's, alcoholism research was largely treated like a stepchild. It was as though alcoholism was not a major health care problem in the United States.

But, as we know, alcoholism is a major cause of death, disability, family violence, automobile accidents, and homicide; and was the most prevalent form of mental disorder found in the NIMH-supported epidemiological catchment area study reported in 1983.

Starting in the mid-1970's, a number of commissions and committees, including two Presidential commissions, began to describe the needs and opportunities for research in this field. Perhaps the most comprehensive analysis was conducted by the Institute of Medicine and published in 1980.

This report highlighted research needs and opportunities in six areas: biochemical and genetic; neuropharmacological; clinical and epidemiological; psychosocial; prevention; and treatment. It was followed in 1983 by a research planning panel report constituted by the Administrator of ADAMHA.

These reports highlight the interrelationship between the different components of the Alcoholism Research Support Program, the need for substantially greater investment in investigator-initiated grants, the need to fully fund existing alcoholism research centers, and the need to continue to attract new investigators to the field through postdoctoral training programs.

I believe that the needs and opportunities for research in the field of alcoholism since 1976 are as strong as any other area of our biomedical research enterprise. In my role as chairman of the psychosocial review committee our committee reviewed 111 grants for an approval rate of 33.6 percent in 1981; in 1982, 100 grants with an approval rate of 30 percent. In fiscal 1983, we reviewed 268 grants with an approval rate of 39.9 percent; and in the first round of fiscal year 1984 we have reviewed 62 grants with an approval rate of 62 percent.

I think that what we have seen is that with the awareness of this field we are seeing an increase in applications of high quality which makes for strong competition for funding in first class science.

At this critical juncture in the development of our National Research Program the administration's proposal for fiscal year 1985 represents a slowdown in growth that will have a bad impact on the field. I have specified some areas of this.

What I would summarize is that at a time when alcoholism research was functioning as a stepchild in the national biomedical research enterprise the Senate, in its wisdom, gave these programs a major thrust through the establishment of the alcoholism research centers program in 1978.

Indeed, the Senate, and especially this committee, have been especially supportive of alcoholism research and your support for some additional funds beyond the administration's request is needed. Thank you.

Senator WEICKER. Dr. Meyer, thank you very much. We appreciate your taking the time to be with us.

STATEMENT OF MELVIN SABSHIN, M.D., MEDICAL DIRECTOR, AMERICAN PSYCHIATRIC ASSOCIATION

PREPARED STATEMENT

Senator WEICKER. The next witness is Dr. Melvin Sabshin, medical director of the American Psychiatric Association.

[The statement follows:]

STATEMENTS OF DR. MELVIN SAESHIN

I am Melvin Sabshin, M.D., Medical Director of the American Psychiatric Association, a medical specialty society representing over 29,000 psychiatrists nationwide. I am representing the American Psychiatric Association, the American Association of Chairmen of Departments of Psychiatry, the American Association of Directors of Psychiatric Residency Training, the American Society for Adolescent Psychiatry and the Research Society on Alcoholism.

In this presentation, I shall restrict my comments to the Research and Research Training programs of the Alcohol, Drug Abuse, and Mental Health Administration.

Mr. Chairman, you and members of this Subcommittee are well aware of the range, seriousness, and multi-billion dollar economic costs associated with the health problems that ADAMHA addresses through its national programs. Agency studies indicate that in 1977 alcoholism, drug abuse, and mental illness cost the nation a staggering $106 billion in direct health care and lost productivity; today, that cost is substantially even higher. Funds not spent for research into the causes of and improved medical treatment for mental illness and alcohol and drug abuse constitute a phantom cost savings. It leads to the inappropriate placement of persons within more costly criminal justice, general health care, or welfare systems, and encourages the return of the chronic mental patient to the more expensive and less appropriate state institutions. Similarly, children are likely to be channeled into whatever settings happen to be available, often both more costly and frequently inappropriate. Thus, purported savings actually have a severe negative impact in both human and economic terms. Repeated studies show that such research expenditures have proven to be cost-effective in the past, and we should not fail to press that demonstrated fiscal and human advantage.

Funding levels for any area of health research should reflect three important elements:

1) the magnitude of the problem in our society, i.e., the number of Americans ected, the degree of suffering and incapacity that results, and the economic impact in terms of both cost of care and lost productivity;
2) the difficulty of the problem from the standpoint of its medical and scientific complexity and the limitations in presently available knowledge as to causes, pathology, diagnosis, treatment, and prevention; and,

3) the realistic prospects that enhanced research support will be scientifically and clinically productive for the identified health problem area; these prospects, in turn, rest on the recent track record of relevant research advances, the richness of the field in promising research leads, the availability of appropriately sophisticated research technology and methods, and an adequate number of well-qualified researchers.

There can be no doubt that the magnitude of the problems of mental illness, alcoholism and drug abuse in our society are matters of widespread concern and grave consequence, whether viewed narrowly in terms of economic cost or in terms of human suffering and social dependence. Annually 31-41 million Americans suffer from a clearly diagnosable mental disorder which is significantly incapacitating with respect to employment, attendance at school, or independent living. Schizophrenia one of the most devastating of mental disorders, will afflict nearly three million Americans during their lifetimes and will account for 70 percent of all admissions to mental hospitals, while 40 percent of all hospital beds in the United States are occupied by schizophrenics. At the same time depression and manic depressive illness afflict 8-14 million Americans annually and involve all age groups. Suicide -- the fifth leading cause of death in the age group 25-44, and the third leading cause of death in children -- is the most tragic consequence of depression. Mental disorders in at least 12 million children in the United States interfere with vital developmental processes and include depression, infantile autism, hyperactivity, and a wide range of learning disabilities. Our steadily expanding population of the elderly is particularly vulnerable to mental illness, especially depression; it is sad to note that 25 percent of elderly persons "written off" as senile are in fact suffering from unrecognized but treatable depressions.

About two-thirds of the U.S. population uses alcohol, but just one-third of the using population accounts for 95 percent of consumption. Ten million Americans are alcoholics or serious problem drinkers. Some 3 million persons 13-17 years old have significant alcohol-related problems. Each year about 2,400 babies born in this country suffer from fetal alcohol syndrome (FAS), a condition involving a variety of physical and mental defects which is associated with maternal drinking during pregnancy and which is a significant cause of mental retardation. An additional 36,000 pregnancies annually are adversely affected by maternal alcohol consumption to a degree less than the full-blown FAS. Traffic acccidents rank fifth as an overall cause of death in the United States, and rank first for the age group under 35. It is estimated that about half of these fatal accidents are alcohol-related.

Currently, drug abuse drains about $26 billion annually from the U.S. economy. About 28 million Americans abuse illegal drugs each year, ranging from heroin, cocaine, and marihuana to sedatives, stimulants, tranquilizers, and hallucinogens. More than 20 million Americans use marihuana regularly, and cocaine abuse in now beginning to rival marihuana use by all sectors of our society.

These problems are also difficult to investigate from the standpoint of medical and scientific complexity. The subtle and manifold functions of the brain and their linkages to normal and pathological behavior have long resisted investigation because of the complexity and inaccessibility of that organ. However, within the past few years this situation has changed dramatically. Powerful new imaging techniques -- including computerized axial tomography (CAT), positron emission tomography (PET), and nuclear magnetic resonance (NMR) -- now permit direct and non-invasive visualization of brain structure and function far surpassing all previous methods. Techniques derived from molecular biology (including recombinant DNA) now allow more precise genetic and biophysical investigations. Advances in biochemical and pharmacological methods permit more exact assessment of specific brain functions and the mechanisms by which communication takes place among brain cells. In parallel, clinical and behavioral scientists have developed more sophisticated methods and designs providing progressively more objective and quantified measures of behavior and subjective states. These developments now combine to open up a wide array of new opportunities for research on mental illness, alcoholism and drug abuse.

A brief overview of some of the most significant recent research advances collectively form an extraordinary track record of accomplishment on a broad range of scientific fronts and justify the confidence that future enhanced research support will be scientifically and clinically productive. For example:

- Recent studies using PET imaging techniques have revealed reduced metabolic activity in the frontal cortex and certain other specific areas of the brain in schizophrenics and, during the past year, neuroendocrine research has strengthened the hypothesis that there is an imbalance in the neurotransmitter dopamine in schizophrenia. Both of these findings are significant advances in unravelling the mystery of this devastating illness and provide promising new leads for further research and improved treatment.

- Use of CAT scans in patients with childhood autism has demonstrated abnormalities of brain ventricles, and neurochemical research has uncovered an imbalance in the neurotransmitter serotonin. Further, new data increase the likelihood that genetic factors play a significant role in this disorder, pointing the way to important new lines of investigation of an intensely crippling disorder that has heretofore resisted most research approaches.

- At the other end of the age spectrum, progress has been made with respect to Alzheimer's Disease. Recent research has implicated an imbalance in the neurotransmitter acetylcholine in the cerebral cortex of patients with this disorder; this, in turn, presents the opportunity for developing specific drug therapies that may combat the profound disturbances in memory so characteristic of Alzheimer's. Other new research leads, which clearly need to be followed up, suggest genetic components and possible involvement of the immune system in Alzheimer's.

- Other research -- with genuine breakthrough potential -- involves the transplantation of neural tissue from other parts of the body for repair of malfunctioning or damaged areas of the brain. These tissue grafts, now being studied intensively in experimental animals, reveal that transplants can to a surprising degree take over and reactivate brain functions previously impaired and considered permanently lost.

- Several years ago opiate receptors were identified in the brain which subsequently led to the discovery of enkephalins and endorphins (naturally occurring, endogenous opioids in the body) --a fundamental advance in understanding the physiological mechanisms of narcotic drug action and dependence. The next research task is the determination of the manner in which endogenous opioids are produced and inactivated in the brain, and what specific role they may play in problems of narcotic dependence.

- Studies during the past year implicate maternal use of marihuana during pregnancy in reduced growth of the fetus and other abnormalities akin to the fetal alcohol syndrome. There is also new evidence suggesting adverse effects of marihuana on the immune system and a possible role as a carcinogen.
- There has been a consolidation of evidence as to genetic predisposition for alcoholism in some individuals. Recent findings make possible, for the first time, the use of recombinant-DNA technology and other sophisticated methods of molecular biology in uncovering more precisely the genetic mechanisms involved and their bearing on treatment and prevention of alcoholism.
- New techniques in biophysics have yielded important new knowledge about the effects of alcohol on cell membranes. Alcohol enters these membranes and, by changing their physical properties, alters their ability to carry out normal functions, offering important new biological leads to an improved understanding of mechanisms underlying development of tolerance to alcohol.
- Evidence is mounting that alcohol can alter the normal balance of a number of neurotransmitters in the brain, that neuronal receptor sites may be modified, and that the normal role of endorphins may be interfered with. It is now known that specific structures and cell populations of the brain vary significantly in their sensitivity to alcohol and that this is genetically determined. Other studies in animal models developed through genetic means promise to yield important clues about the underlying basis of genetic predisposition to alcoholism and for the testing of therapeutic agents.
- Taken collectively, recent research permits characterization of alcoholism in many cases as a "pharmacogenetic" illness. This is a remarkable new concept, to which must be added expanded research into the psychological, social and cultural factors that interact with various degrees of biological vulnerability to result in clinical alcoholism and alcohol abuse.

The quality of ADAMHA-supported research commands high respect in the scientific community. True testimony to the quality and significance of the research funded by ADAMHA include there being a recipient of the McAlpin Research Achievement Award, three winners of the prestigious Lasker Award and four Nobel laureates.

The threshold breakthrough nature of new research developments related to mental illness and alcohol and drug abuse have increasingly captured the interest of the general public, and have been widely reported by newspapers, national news magazines, and other media in recent months and provide further examples of the important progress I have described.

As this Committee knows, the recent research advances I have described do not come about quickly or in the absence of a broad base of sustained scientific effort. Indeed, this process of sustained continuity of effort is essential for progress in the natural and clinical sciences. For FY 1985 the budget levels proposed by the President fall substantially short of what is needed to repair the damage inflicted by the destructive budget cuts of previous years and to take advantage of the remarkable new research opportunities now at hand.

Mr. Chairman, in light of the magnitude of the national problems of mental illness and alcohol and drug abuse -- and the unprecedented scientific opportunities now present for productive research -- I urge your favorable consideration of an appropriation of $316 million for ADAMHA Research programs in FY 1985; more specifically, $202 million for NIMH, $64 million for NIDA; and $50 million for NIAAA. The recommendation has been endorsed by the Ad Hoc Group for Medical Research Funding, an organization of over 100 organizations concerned with the vitality of the medical research enterprise.

If the present extraordinary research promises in mental illness, alcoholism and drug abuse are to be realized in the coming decades, the time is now to invest in Research Training to assure the future availability of well-trained scientists upon whom the nation must depend for the success of this effort. The research trainees of former years are the scientists today responsible for many of the major advances I have outlined. During the last 15 years there has been a progressive 60 percent reduction in the number of research trainees supported annually by ADAMHA (down from 2,600 to less than 1,000 in FY 1985). As you know, the National Academy of Sciences recommends that ADAMHA should support at least 1,650 research trainees in FY 1985 -- some 700 more than the President's budget would allow.

In terms of future needs now clearly evident, the following are particularly critical for ADAMHA:

- clinical researchers, i.e., fully qualified clinicians with additional sound state-of-the-art training in research methods for patient-oriented investigations and application of burgeoning basic science knowledge to specific clinical problems;
- biological and behavioral scientists, including biochemists, physiologists, geneticists, enzymologists, pharmacologists, research psychologists, and social scientists necessary to maintain in coming years the present highly productive research effort in basic brain and behavioral sciences; and,
- epidemiologists and prevention-related researchers to take advantage of new methods and rapidly-expanding research opportunities in these promising fields.

The Minority Access to Research Careers Program (MARC), also merits increased support, particularly at a time when growing numbers of young people are being attracted to the prospect of research careers in areas directly relevant to the ADAMHA mission.

To begin to reverse the long and damaging downward trend in numbers of research trainees, and to take the initial step to safeguard the future national capacity for quality research in mental illness, alcoholism and drug abuse, the APA requests your support for an appropriation in FY 1985 to provide training of at least 1,300 scientists (roughly 1,000 by NIMH and 150 each by NIDA and NIAAA). This is fewer than the numbers recommended by the NAS, but in our view represents a minimal first step in correcting a problem that has steadily worsened in recent years. Our proposal would require an ADAMHA FY 1985 research training appropriation of $26 million; more specifically, $20 million for NIMH and $3 million each for NIDA and NIAAA.

We hope that Congress will realize that each year that passes without strengthening the ADAMHA research training programs further undermines future research capacity. Continued postponement in strengthening these programs is both scientifically and programmatically unsound, and future efforts to recoup will predictably be much more costly.

Thank you for allowing me the opportunity to testify.

I am Melvin Sabshin, M.D., Medical Director of the American Psychiatric Association, a medical specialty society representing over 29,000 psychiatrists nationwide. I am pleased to appear before the Subcommittee not only to represent the particular concerns of the American Psychiatric Association regarding the President's proposed FY 1985 appropriations for the Alcohol, Drug Abuse, and Mental Health Administration, but also those of the American Association of Chairmen of Departments of Psychiatry (a national association representing over 125 academic departments of psychiatry in the nation's medical schools), the American Association of Directors of Psychiatric Residency Training (an organization representing over 90 percent of the more than 200 psychiatric residency training programs in the nation), the American Society for Adolescent Psychiatry (a national organization of 1,700 psychiatrists who specialize in treating mentally ill adolescents) and the Research Society for Alcoholism (an organization consisting of the nation's key researchers in the field of alcoholism).

This statement focuses on Clinical Training programs of ADAMHA, the Alcohol, Drug Abuse, and Mental Health Block Grant; and Saint Elizabeths Hospital.

NIMH Clinical Training: The Administration's FY 1985 budget again proposes elimination of federal support for the NIMH Clinical Training Program. As this Subcommittee knows, the same proposal was made for FY 1983 and 1984, and now, as then, directly contradicts your leadership and concern as to the need for continuing this program, regarded throughout the mental health field as the key to assuring improved availability and quality of professional care for all mentally ill Americans.

During the past three years, the APA and others have presented well-documented testimony underscoring the vital importance of continued Federal support for clinical training of mental health professionals. The APA described findings from a wide array of careful studies which pointed unanimously to a present and projected future national shortage of psychiatrists, particularly those specially trained to treat mental disorders of children and elderly. Our testimony has emphasized the critical importance of Federal support in providing opportunities for disadvantaged and minority students to enter professional mental health careers. Attention has been called to the growing body of research demonstrating the cost-effectiveness of clinical training, including benefits (especially through consultation-liaison education) to medical students and primary care physician trainees in improving their ability to diagnose and treat the substantial numbers of the mentally ill seen exclusively in the general health sector. Central to our concern is a lack of other funding sources to meet the Congressional priority training areas.

In FY 1983 and 1984 the Congress showed prudence and sensitive understanding of the complex issues involved. Clear Congressional priorities were established for the NIMH clinical training activity in your FY 1983 bill and, in effect, a new program was mandated. In FY 1983 the Congress provided an initial appropriation of more than $20 million for support of this new initiative, and continued the program at roughly the same level in last year's bill. The creative and decisive action by Congress during the past two years is keenly appreciated. The National Institute of Mental Health has moved promptly, vigorously, and effectively to implement your priorities and mandate.

Last year I brought to your attention the outstanding results in the State of Maryland of an NIMH-supported project linking academic psychiatric training centers and understaffed state service facilities. A follow-up evaluation found that one-third of all state hospital psychiatrists in Maryland were products of this program. As a consequence of your strong Committee Report language encouraging further development of this initiative, in FY 1984 the NIMH has strengthened its priority for closer coordination between training centers and seriously understaffed public mental health service settings. We are very hopeful that the positive experience in Maryland can be duplicated in other states.

I noted last year our support for your Congressional mandate for equitable funding among the four core mental health professional disciplines. We continue to feel as you do that the flexibility to accommodate the legitimate differences in training activities should be preserved. In psychiatry, as the Committee knows, the most urgent need continues to be for funds to help offset institutional teaching costs. Such support enables physician faculty to concentrate more time in direct teaching and supervision of postgraduate house staff with respect to your stated priority subject matter areas.

Clinical training in the mental health professions requires three to five years at graduate and postgraduate levels to produce a qualified specialist; hence many of the grants awarded under the new program in FY 1983 and 1984 will need continuation support in FY 1985. Based on widespread needs and a lack of funds from other sources for clinical training, it is anticipated that there will be a large number of high quality new and competing applications submitted for FY 1985 support. An increase in funding in FY 1985 over the 1984 level would be both professionally and educationally sound as the program enters its third year. Accordingly, we respectfully recommend an NIMH Clinical Training appropriation of $25 million. This would allow continuation funding of projects initiated since FY 1983 (whose project periods extend into FY 1985) as well as a modest number of new and competing awards of the highest priority.

NIDA and NIAAA Clinical Training: We urge your reconsideration of the phase-out of support for clinical training by these two Institutes. A very important casualty of this phase-out was the Career Teacher Program. In return for clinical training support of physicians and other qualified health professionals in the diagnosis and clinical management of patients presenting a wide range of problems associated with drug and alcohol abuse, the trainees were obligated to return to their medical schools (or other appropriate health education centers) as career teachers in these fields.

Alcoholism and drug abuse, despite their pervasiveness in American society and their widespread impact on physical and mental health, have seldom received proportionate attention in medical and other health professional education, largely because of a lack of well-trained and experienced teachers. To begin to rectify this unfortunate situation, I earnestly urge this Committee to reinstitute a clinical training activity for both NIDA and NIAAA in FY 1985 for the specific purpose of restoring the career teacher program.

As an initial effort, an appropriation of $500,000 for each Institute (for the support of about 20 career teacher trainees) would be a sound investment by the Congress.

Mental Health, Drug Abuse, and Alcoholism Services: The APA continues to have serious concern as to the long-term level of federal funding for, and the capacity of the states, to meet the needs of substantial numbers of citizens who are serviced by the Alcohol, Drug Abuse, and Mental Health Block Grant.

Today only about 50 percent of the nation's population has access to services through the CMHCs initiated under the Community Mental Health Centers Act. Despite recent improvements in the general economy, there is no encouraging evidence that state governments will be willing and able to maintain the present level of effort, much less make funding available for establishment of additional centers serving the 50 percent of the population not now served.

We oppose, as has this Committee, the transfer of management of the block grant from ADAMHA (where the expertise and experience in service matters lie) to the Office of the Assistant Secretary for Health. We understand that the Administration, despite clear Congressional sentiment to the contrary, has again proposed this transfer.

In FY 1985 the Administration proposes an appropriation of $472 million, less than three percent over the FY 1984 level, an amount clearly insufficient to reverse the recent trends of reduced outpatient mental health and substance abuse services, and shortages in professional staff of Community Mental Health Centers. An appropriation at the new maximum authorized level would help to expand service delivery capacity in those regions of the country with large populations still medically underserved.

In a related matter, the President proposes for the third consecutive year to abolish all Federal support for the NIMH Community Support Program (CSP), despite your continued restoration of funding. This national demonstration program, begun in 1977, has assisted states and communities in improving services for chronically mentally ill adults diverted or discharged from inpatient facilities. More than half of the chronically mentally ill -- many still substantially handicapped -- now reside in the community, without an appropriate network of medical and social services to meet even their minimal needs. CSP projects are gradually succeeding in establishing the chronically mentally ill as a priority population and charting the course to improved services. In 19 pilot states, significant state and local resources have been mobilized for community services and model programs have been developed.

For the past two years, Congress has determined that the CSP demonstration program should continue, and has appropriated $7 million for this purpose in FY 1984. The APA strongly endorsed this action last year, and urges you to continue the program again in FY 1985 at no less than the 1984 level. We also ask that you once again maintain separate line-item status for CSP and remove it from the NIMH extramural research budget.

Saint Elizabeths Hospital: The present situation at Saint Elizabeths Hospital compels us to again testify on behalf of some very basic professional concerns. Saint Elizabeths is overwhelmingly the principal local resource for psychiatric inpatient care, including hospitalization of emergency patients, committed patients, and forensic patients -- all categories requiring a high level of professional treatment. For many years the Hospital has also conducted training programs for thousands of mental health professionals in a wide range of disciplines, providing a major recruitment source for senior staff of the Hospital and for public mental health service facilities throughout the area.

For many years there has been an unresolved controversy over the governance and funding of the Hospital, particularly as an increasing proportion of patients cared for are District residents. The fundamental problem, however, goes well beyond purely budgetary considerations. At present, service needs of the mentally ill and substance abusers in the District are provided through at least three separate organizations with different lines of accountability and professional responsibility. These include inpatient and some community services supplied by Saint Elizabeths Hospital (which is operated by the Federal government), and other community mental health and substance abuse services carried out by the District of Columbia. This is a system that has built-in inefficiencies and poses serious problems in continuity of care as patients shift from one component to another.

If the needs of the mentally ill of the District are to be attended to, it is now time for these components to be brought together into a single coherent system with clear lines of accountability and professional responsibility. I believe strong Congressional leadership in the matter is imperative. I am pleased that the Congress has received legislation from the Administration to establish a non-profit corporation for combined management of all elements (both Federal and District) of a unified service system for care of the mentally ill and substance abusers in the District, including care of Federal beneficiaries. While many complex financing and administrative details have yet to be resolved, we support such legislation in principle.

While we await Congressional consideration of this legislation, we caution the Subcommittee to examine the impact of further financial reductions on the part of the Federal government, particularly in view of firm statements from the District that offsetting increases in its contribution will not be possible during the next six years. Another budget impasse will lead only to additional reductions-in-force at the Hospital, a rapid and progressive undermining of the institution's functional capacity and a possible loss of accreditation. All would be tragic for the mentally ill in this city.

We thank the Subcommittee for this opportunity to appear, and we look forward to working with you in conjunction with the FY 1985 Labor/HHS Appropriation Bill.

Dr. SABSHIN. I am the medical director of the American Psychiatric Association, which is the organization of American pyschiatrists, and I am also here—I'm representing the American Psychiatric Association, the American Association of Chairman of Departments of Psychiatry, the American Association of Directors of Psychiatric Residency Training.

I'll limit my comments to the research and research training programs and two closing comments.

It's very hard with a subject like this to emphasize some new points and get through a tendency to become inured on this. And I'm pleased to see in your remarks a few minutes ago, that you are not in any way inured to understand the problem, but in prior testimony, we've emphasized the magnitude of the problem. We've emphasized the poignancy of the problem that only occasionally breaks through when there is a suicide in a young person or some national figure has a problem, but the problem affects millions of people each day.

We've emphasized the value of research in offsetting other costs. Somehow these messages still haven't got through well enough this year.

I want to stress that we had a threshold and there have been stunning advances in research, stunning advances, and its paradoxical, it's awful that the NIMH recommended increase in research is 2 percent, in effect, a decrease in research in the face of enormous advances and possibilities that can have significance for this country.

Again, as you said, the point about declaring war may be a good metaphor. There have been hundreds of stories in the scientific literature about the advances. I don't believe I need to emphasize that, but I thought I would show you a little bit about increased public awareness. A story in the U.S. News, "New Hope for the Depressed, in April, "How the Brain Works," Newsweek, again, just a couple of months ago, "Phobias, New Drugs and Therapies are Helping People Conquer their Fears." Again, public awareness. Atlantic Monthly, "Biology and Mental Illness." Cover stories. In contrast, just a few years ago, Time is saying, talking about cocaine problems in a pessimistic way, and one article that I hated, April 1979, Time called psychiatry a depression. It was a wrong diagnosis, but perhaps it was as a certain mood. Public awareness is there. There is a readiness for increased qualitative support for this subject.

What tends to be underemphasized, Mr. Chairman, in the news stories, is the role of the subcommittee in maintaining that kind of research, and I hope that can be corrected.

Along with Ms. Kohn, just last week, I had an opportunity to develop the Department of Psychiatry at Yale and the Connecticut Mental Health Center and saw the sparkling research that's going on. Bright young people held together by an awfully thin reed. And there is a need for support of that facility and others, not just in your State.

The ad hoc group for medical research funding, a group that has recommended a variety of research activities put a brochure together that is a part of our background material. It talks about the need for better research across the board in all of health activities, but emphasized mental health this year for the first time, emphasizes a recommended increase to the $316 million figure for all of ADAMHA research activities.

As Ms. Kohn said, the national cost was $67 billion, but if you add the loss of productivity, you have a cost of at least $110 billion per year, and what we're spending is three-tenths of 1 percent of the budget in ADAMHA for research, which is an awfully small amount. I hope in thinking of the metaphor, that what we're talking about in total budget for ADAMHA is the same for one B–1 bomber, and the cost of the increase that we're recommending for ADAMHA this year is less than the cost of an F–15 plane. I don't mean to be against the military budget, I just want to put that in that perspective.

Two other issues to mention, briefly, the background material I submitted to you, we talk also about the paradox of the reductions in force in the ADAMHA agencies and the reductions in force in research this year, which seem to be particularly foolish and cost ineffective.

Finally, this committee has been the source of maintaining clinical training programs in the face of enormous cuts in the past. We ask that once again you continue to support clinical training programs that will help provide future people in this field that can continue this work.

Thank you.

STATMENT OF TERU MORTON, DIRECTOR, CLINICAL TRAINING PROGRAM, UNIVERSITY OF HAWAII, ON BEHALF OF THE AMERICAN PSYCHOLOGICAL ASSOCIATION AND THE ASSOCIATION FOR THE ADVANCEMENT OF PSYCHOLOGY

PREPARED STATEMENT

Senator WEICKER. Thank you. Our next witness is Dr. Teru Morton, director of clinical training, University of Hawaii.

Dr. Morton, nice to see you again. I think the last time we saw you was at the hearings in Honolulu.

[The statement follows:]

STATEMENT OF TERU MORTON

I am Dr. Teru Morton, a psychologist and Director of the clinical training program at the University of Hawaii. I am pleased to testify before you today representing the 72,000 members of the American Psychological Association and the Association for the Advancement of Psychology.

Clinical Training

There is an on-going critical need for clinical training of mental health professionals to work in shortage areas and among underserved populations. We want to thank this Committee for its past recognition of tne mental health needs of such populations as the elderly, children, minorities, the chronically mentally ill, those in jails, and those in rural areas.

We ask that the NIMH Clinical Training program be continued at the FY 84 level of $21 million. The funding for this program averaged around $70 million each year between 1975 and 1980. As virtually the only source of mental health clinical training funds within the Department of Health and Human Services, at least this minimum level of funding must be maintained. The following points are relevant:

1) NIMH has calculated that there is a need for over 90,000 practitioners in each of the four core mental health disciplines. According to the most current estimates there are 34,000 psychiatrists, 34,000 psychologists, 30,000 clinical social workers, and 6,000 psychiatric nurses with at least a master's degree. These numbers suggest that we are operating at about 1/3 capacity nationwide. The situation is much worse in shortage areas.

2) The nation's elderly constitute 11 percent of the population, or 25 million people, and this number is expected to double in 50 years. But, current estimates show that there are only about 500 geriatric psychiatrists and about 400 psychologists working with the elderly. It is estimated that 2,000 psychologists with training in aging will be needed by 1988.

3) According to the Center for the Studies of Mental Health and Aging, there were 1.3 million nursing home residents in 1977. Of this number, more that one-quarter had diagnosed mental disorders, and another 40% was considered "at risk" for behavioral and/or mental

problems. Nursing homes are the single largest cite for care of the chronic mentally ill elderly, yet only a handful of mental health professionals have been trained in gerontology.

4) There is a serious geographic maldistribution of mental health professionals. The General Accounting Office found that "a higher proportion of psychologists and psychiatrists are clustered in several states and in large metropolitan areas." Some rural counties and catchment areas have no full-time psychologist or psychiatrist. Further, studies show that where trainees obtain their education and related experience influences where they practice. The clinical training program can help to alleviate these maldistribution problems.

We urge Congress to consider greater use of the "payback provision" in the allocation of clinical training funds. At present, clinical training grants can be received in the form of stipends, which obligate the trainee to one year of service in a designated shortage area for each year of NIMH support, or in the form of grants to institutions, which incur no obligation for students benefitting from the support. We recommend that a fixed percentage of the funds -- such as 75% -- be mandated by Congress for stipend support. This would increase the accountability of the program in a time of serious fiscal constraints, and it is directly responsive to the shortage area and maldistribution problems of concern to this Committee and the mental health community.

The problems of maldistribution would benefit from a more equitable distribution of the clinical training funds among the four core mental health professions. Psychology, nursing, and social work have historically taken greater advantage of the payback provision than psychiatry but have consistently received a disproportionately smaller part of the funds. From FY 80 through FY 83, psychiatry received at least 30% of the total funds, while psychology and social work received between 13% and 16%, and psychiatric nursing received about 10%. Despite the express language of both the House and Senate Appropriations Committees in the last three years, the funding balance among the four professions has not altered.

We are very concerned about plans to reduce staff levels in the Public Health Service. In particular, We view the proposed Reduction in Force at

NIMH as an attempt by the Administration to achieve through staffing changes what it is unable to effect through the Congressional Authorization and Appropriations process. We urge the Congress to require that sufficient staff be available at NIMH to manage its Congressionally-mandated programs.

The proposed plan for a Reduction in Force would bring about a 7% reduction in the overall number of staff at NIMH by reducing three vital parts of the Institute by 70% of their work force. These staffing reductions reflect a reduction of staff in the Division of Human Resources, the Division of Communications and Education, and the Office of State and Community Liaison from 112 to 34. The plan also provides for the dismantling of these Divisions and Office. In a footnote to the plan, it is suggested that the remaining staff -- four in the area of clinical training, for example -- could handle the programs if Congress continued them. This assessment is not only unrealistic but will, in effect, frustrate Congressional intent in funding the programs.

A strong statement is needed from this Committee opposing the RIF, and requiring that sufficient staff and expertise is available in all parts of NIMH so that the necessary functions of training, research, education, and data collection can continue.

Research

We are delighted with the significant increases proposed for the National Institute on Drug Abuse and the National Institute on Alcohol Abuse and Alcoholism. We strongly encourage the continuation of this important research into the behavioral perspectives of drug abuse and alcoholism, and urge this committee to appropriate funds for NIDA and NIAAA at the levels requested in the FY 85 budget proposal.

At NIMH, we are concerned that funds continue to be available for vital research into the behavioral, social and biological aspects of mental disorders and their causes, assessment and treatment. Mental and emotional problems cost society approximately $67.4 billion each year in medical care, lost productivity, and social welfare programs. Human costs of unmanaged stress and mental disability can be measured in physical illnesses, homicides, suicides, and child abuse. Basic research on how the brain and nervous system function and how humans behave under different social and emotional pressures is necessary for the prevention and treatment of mental health problems. It is critical that NIMH behavioral research continue and that important new research opportunities receive adequate funding.

Acquired Immune Deficiency Syndrome

Psychologists have deep concern about Acquired Immune Deficiency Syndrome, or AIDS. While federal research funds have been spent in many important ways to discover a cause, treatment and cure, virtually no attention has been paid to the dramatic psychological impact of AIDS. The National Institute of Mental Health has been able to fund a few AIDS research grants only through "borrowings" funds from other agencies in the Public Health Service. We urge this Committee to allocate $1.5 million in additional research funds to NIMH for its AIDS effort, to consider the importance of insuring that staff positions are allocated for research into what has been declared "the number one priority of the Public Health Service," and to call for closer working relationships between NIMH, NIH, and CDC on the behavioral aspects of this growing epidemic.

Research Training

The NIMH research training program has declined steadily over the past several years -- from $19.5 million in FY 81 to $15.4 million in FY 84. The FY 85 budget request calls for maintaining the funding level at $15.4 million. The number of research trainees supported by NIMH has dropped drastically from over 1,300 five years ago to a proposed 878 in FY 85. The core of the mental health research enterprise is in danger because of this decline. First year enrollments in some research-oriented fields of psychology are 30 percent lower than a few years ago. Some areas of research may need a decade to rebuild if a critical mass of young scholars is lost now.

We were pleased that the National Academy of Sciences Committee that studies the need for biomedical and behavioral research personnel has recommended, in its 1983 annual report, that federal support for behavioral science research training at NIMH be increased. More specifically, the National Academy of Sciences Committee recommended increased funding for training at the predoctoral level in behavioral research. NIMH would require an additional $3.2 million in research training funds to implement these recommendations fully.

These additional funds would allow NIMH to follow the National Academy of Sciences recommendations to restore the number of predoctoral awards to the 1981 level of 650, from approximately half that number in the FY 85 budget request. Psychologists have been advocating this change in policy for several years and we urge this Committee to help revitalize behavioral science research training by including this additional $3.2 million. We also request that this Committee, through its report language, strongly encourage NIMH to implement the NAS recommendations in a timely fashion.

Block Grant

We urge the Committee to fund the Alcohol, Drug Abuse and Mental Health Block Grant at $490 million in Fiscal Year 85. This represents an $18 million increase over the Administration's request of $472 million. ADAMHA's recently-released first report on the Block Grant shows that states were not able to make up the original reduction in federal support through Administrative cost savings. States reported that "(the 25 percent) reductions in Federal program funds have resulted in some decreases in service levels and almost no program starts." States continue to face health care cost increases as high as 13%, compounding the problem of reduced federal support.

We urge Congress to continue the Community Support Program in FY 85, and we recommend that it be funded at a level of $7.4 million. This represents an increase of $.4 million over the FY 84 level. With this minimal increase, the states will be able to continue all 36 of the CSP adult projects and a number of children and adolescent programs.

This program was created in 1977 to address the many problems associated with deinstitutionalization, and the need to develop comprehensive community based services for the chronically mentally ill. The National Mental Health Association reports that "evaluations of the first 19 projects show that as a result of the federal investment, significant state and local resources have been allocated for services for this population, and these projects have contributed to a substantial drop in hospitalization in the group (from an average of 64 days per year to 32 days per year)."

States should have the opportunity to receive federal support throughout the full 5 year developmental process, as the Congress intended, to allow the programs to become fully established at the state level. For example, several states were funded for the first time last year as were a number of new children and adolescent programs. If federal support is withdrawn it is unlikely that the states will be able to continue their commitment to these programs.

St. Elizabeths Hospital

The patients at St. Elizabeths hospital have suffered for years because of the dual jurisdiction between NIMH and the District of Columbia -- and the financial insecurity that has resulted. The FY 85 budget calls for an additional $19 million cut in federal funding for St. Elizabeths. This would be a terrible blow after the budget cuts and staff reductions of last year. Although the Congress, the GAO, the Administration and mental health groups are working to develop a better long-range legal and financial base for the hospital, no agreement has yet been reached.

The issue before this Committee in deciding on appropriations for St. Elizabeths must be the needs of the patients for mental health care. There is certainly no reason to believe that his need will be any less if the hospital is controlled by the federal government, the D.C. government, or by a Congressionally chartered corporation. We, therefore, recommend that funding for St. Elizabeths remain at the FY 84 level until improvements can be made through Congressional action, and that there be no further reductions in staff.

I thank you for this opportunity to testify.

Dr. MORTON. This time I am representing the American Psychological Association and the Association for Advancement of Psychology.

In the time that I have here today, I will be talking about issues in the area of clinical research, training, and support, including support for AIDS at the National Institute of Mental Health. I'll be submitting more extensive remarks for the record, that outline our positions on community support programs, the alcohol drug abuse and mental health block grant at Saint Elizabeths Hospital.

As a clinical trainer in Hawaii, I am as concerned as any about continuing this program. I appreciate NIMH support in my own graduate training and am proud of our own NIMH supported clinical psyschology graduates, who have gone on for distinguished service careers across the Nation.

The NIMH Clinical Training Program is virtually the only program in Health and Human Services. Nationally, we need more than 90,000 practitioners in each of the mental health core disciplines. We also know that there is a serious maldistribution problem with existing professionals and there are documented shortages for professionals in the area of the elderly, children, minorities, the chronically mentally ill, those in jail, and those in rural areas.

The elderly provide a striking example where there is not an existing shortage of professionals, but where the need is expected to be compounded in the next 50 years, as the population doubles from over 25 to 50 million. At present, there are only 500 geriatric psychiatrists and 400 psychologists working with the elderly. And we estimate that we're going to need 2,000 trained psychologists by the year 1988.

In Hawaii, we are aware of this growing psychological need, and we need to develop a gerontological speciality for the future.

We urge the committee to fund the critical training program at the fiscal 1984 level of $21 million and to provide report language for several important and necessary areas. First, the Minority Fellowship Program, second, the equitable distribution of funds among the core professions, third, greater use of the payback provision, which obligates students to serve in shortage areas, and finally, that sufficient staff must be able to manage—congressionally manage the mandated progress at NIH.

We are concerned that the reduction-in-force proposal will result in dismantling the clinical training and community support programs through disproportionate reductions in the staffs.

It is critical that MIMH research continue and that appropriate new research opportunities be given funds.

We urge the committee to allocate $1.5 million in additional research funds to NIMH, for its AIDS Program. To date, virtually no attention has been paid to the psychological effects of AIDS, NIMH has been able to fund a few AIDS research grants, only by borrowing funds from other agencies and the Public Health Service.

Finally, we urge the committee to include an additional $3.2 million in NIMH research training support. These funds would allow the Institute to follow the National Academy of Science's recommendations on the need to restore predoctoral awards in the behavioral sciences to the 1981 level of 650.

And we also finally request that this committee strongly encourage NIMH to impliment the National Academy recommendations as soon as possible.

Thank you very much.

Senator WEICKER. Thank you. Senator Inouye.

Senator INOUYE. I want you to note the green light is still on.

Senator WEICKER. Well, since it is, I'll let you talk.

Senator INOUYE. I have wanted to let her know that her testimony is appreciated.

Senator WEICKER. It is. And I'm delighted that you can visit with us. I can't tell you how much I enjoyed the hearings that we had in Hawaii. I've got to tell you, it wouldn't take much to get me back.

Thank you very much for meeting with us.

STATEMENT OF KARST J. BESTEMAN, EXECUTIVE DIRECTOR, ALCOHOL AND DRUG PROBLEMS ASSOCIATION OF NORTH AMERICA

ACCOMPANIED BY KENNETH L. EATON, CHAIRMAN, JOINT LEGISLATIVE COMMITTEE, ALCOHOL AND DRUG PROBLEMS ASSOCIATION AND NATIONAL ASSOCIATION OF STATE ALCOHOL AND DRUG ABUSE DIRECTORS

PREPARED STATEMENT

Senator WEICKER. Our next witness is Karst Besteman, executive director, Alcohol and Drug Problems Association of North America.

[The statement follows:]

STATEMENT OF KARST J. BESTEMAN

The Alcohol and Drug Problems Association (ADPA) of North America and the National Association of State Alcohol and Drug Abuse Directors (NASADAD) are pleased to have this opportunity to present a statement for the Subcommittee hearing record on the President's Fy 1985 budget request for Alcohol, Drug Abuse and Mental Health Services (ADMS) Block Grant and the programs of the National Institute on Alcohol Abuse and Alcoholism (NIAAA) and the National Institute on Drug Abuse (NIDA). As Executive Director, Alcohol and Drug Problems of North America I am here today to urge members of the Subcommittee to continue to support these important programs which assist the States in their efforts to prevent and treat alcoholism and drug abuse. Mr. Kenneth Eaton is here as the Chairman of a joint ADPA and NASADAD Legislative Committee.

ADPA is composed of several councils of membership. NASADAD is the council for State government membership. As such our interests and concerns on policy and budget issues are often similar. First, I would like to provide you with some background information on the membership of the Alcohol and Drug Problems Association and the responsibilities of the State Alcohol and Drug Abuse agencies.

Alcohol and Drug Problems Association of North America

The Alcohol and Drug Problems Association of North America, Inc. (ADPA) is a non-profit, tax-exempt membership association representing more than 10,000 professional alcohol and drug abuse workers through institutional and individual memberships. The mission of ADPA is to improve the conditions under which such professionals and other concerned groups and individuals operate so they more effectively provide treatment, rehabilitation, prevention, education, research and other services. ADPA's membership as a whole is active in virtually every sector of the field. Based in Washington, D. C., since 1949, ADPA is especially concerned with bringing together diverse disciplines and interests for unity of action whenever feasible.

The membership of the Association is composed of three distinct constituencies or councils. ADPA's Council of State Authorities includes the State alcohol and drug agency directors in the 50 States, the District of Columbia and Territories. The Agency Council consists of member programs and agencies which are engaged in alcohol and drug abuse work. Professionals and others concerned with specialized aspects of alcohol and drug abuse are members of the Council of Individuals.

State Alcohol and Drug Abuse Agencies.

The State Alcoholism Agencies and the Single State Agencies for Drug Abuse Prevention were created by the States in response to Congressional action in the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 and the Drug Abuse Office and Treatment Act of 1972, respectively, to have sole responsibility in the States to plan and administer a statewide alcoholism and/or drug abuse prevention and treatment network. These agencies have been jointly represented since 1978 in Washington, D. C. by the National Association of State Alcohol and Drug Abuse Directors (NASADAD).

Under the Omnibus Reconciliation Act of 1981, which created the ADMS Block Grant and significantly revised the purpose of NIAAA and NIDA, the mandate for Single State agencies was repealed. However, I am pleased to inform you eacn State has chosen to retain this State structure in order to effectively manage State alcohol and drug treatment and prevention services including administration of the relevant portion of the Federal ADMS Block Grant.

Alcohol, Drug Abuse and Mental Health Block Grant

Overall, the State alcohol and drug abuse agencies have made a smooth transition from the previous Federal categorical alcohol and drug project and formula grant programs to the Alcohol, Drug Abuse and Mental Health Services Block Grant program. The smooth transition is in part due to the fact that the State drug agencies had been receiving their Federal project grant dollars through a mechanism similar to the block grant for several years -- the Statewide services grant -- and were already responsible for allocating and monitoring the Federal drug abuse project grants. Also, at the time of the ADM block grant authorization, Federal officials were considering switching to a Statewide services funding mechanism for the Federal alcoholism project grants, which at that time were being administered by NIAAA. In fact, five States were participating in a demonstration project testing the feasibility of the Statewide services grant mechanism for the alcoholism project grants. Both the alcohol and drug abuse formula grants were awarded directly to the State alcohol and drug agency, which in turn allocated the dollars where they were needed most. Thus, the States involvement with and shared financial and administrative responsibility for alcohol and drug programs provided an established framework for their assumption of an expanded block grant management role.

Since the State alcoholism and drug abuse agencies were already administering three fourths of the programs eventually folded into the alcohol and drug portion of the ADMS Block Grant program, the basis for the supposed administrative cost savings associated with the ADM block grant - streamlined and efficient management - was only applicable to the alcoholism project grants in the 45 States which were not participating in the demonstration project. The funding reductions accompanying the Block Grant were supposed to be balanced by the increased costs savings realized from the new funding and administrative mechanisms. Unfortunately, for the alcohol and drug services programs the supposition was not relevant. Rather they were penalized for having been one step ahead.

Budget Reductions Accompanying ADMS Block Grant

In FY 1980 (the base year for the alcohol and drug portion of the ADMS Block Grant), Federal appropriations for the alcohol and drug abuse project and formula grant programs totalled $332 million. In FY 1984 the alcohol and drug portion of the Block Grant equalled only $231 million - a 30 percent reduction from FY 1980 levels without adjusting for inflation. If the inflation rates of 10.4 percent in 1981, 6.1 percent in 1982 and 3.9 percent in 1983 are taken into account, current Federal funding levels for alcohol and drug treatment and prevention services represent a 43% reduction in real dollars. Indeed, the Federal support appears to have been nearly cut in half.

Many states, with careful budget planning combined with a temporary overlap of Federal funding have been able to maintain a minimum level of services even with the significant reduction in Federal support. In FY 1982, many States received their FY 1982 Block Grant award prior to the expiration of their previous fiscal year's project and formula grants. This phenomenon was due to the unforseen delay of previous Federal grant awards in many States where the fical year award was not made until six months after the beginning of the fical year. For example, State X applied for and received its FY 1982 Block Grant quarterly allocation on October 1, 1982. However, State X's FY 1981 Statewide services annual grant award had not been awarded until March, 1982 (six months after the beginning of FY 1981). As a result, there existed an overlap of Federal funds and the State was able to postpone the negative impact of the decrease in Federal funding for alcoholism and drug abuse services which accompanied the ADMS Block Grant. With creative planning, many States have been able to stretch this cushion over a two year period but the ever-increasing demand for treatment and prevention services has begun to take its toll on the publicly funded service delivery systems particularly in those States where programs have been closed and treatment services reduced to accomodate the decline in Federal support.

For a detailed State-by-State description of the impact of the Federal reductions in financial support for alcohol and drug abuse and a general overview of the reason for the increased demand for both prevention and treatment services in most States, please refer to Attachment A. This information was provided by the NASADAD membership in response to an ongoing survey of alcohol and drug abuse needs. Survey responses are not available from the full membership at this point in time, but additional information will be provided to you in the immediate future. In general, the survey responses reflect a 10-20% reduction in treatment availability at the State level with demand for both treatment and prevention services significantly higher than the State's ability to respond. Waiting lists for drug abuse treatment are common in many States as are expected further reductions in services. Increased public awareness of alcohol and drug abuse problems, intensified enforcement of intoxicated driver laws and a continued increase in the supply and purity of heroin and cocaine are all factors which play a role in the need to increase support for alcohol and drug abuse services.

States were also asked to describe how they would utilize a ten percent increase in their ADMS Block Grant award if the Congress were willing to appropriate such an increase. For a State-by-State response please turn to

Attachment B. As noted earlier, the survey is an ongoing effort and once completed, a more thorough response will be forwarded to the Subcommittee.

Many of the respondents indicated they would use the increase to ease the burden on existing treatment programs and clientele as well as to postpone planned reductions in services for 1985. Reductions which are necessary ot because of a reduced demand for services, but rather because of a lack of financial support.

FY 1985 Budget Request

While the process of reauthorizing the ADMS Block Grant has not yet been completed by the Congress we would encourage the Subcommittee to appropriate the full amount eventually authorized for this important program. S.2303, "The Alcohol, Drug Abuse and Mental Services Block Grant Amendments of 1984" authorizes $490 million in FY 1985 for the ADMS Block Grant. A $490 million appropriation represents a six percent increase for the program, an amount which would leave sufficient room to account for inflation, however, it would not permit any significant growth in the program. The President's proposed FY 1985 budget request - $472 million - would permit a two percent appropriations increase for the program, translating into a further reduction in services since it would not keep pace with inflation. Recognizing the need for fical austerity, we encourage the Subcommittee to appropriate at a minimum an amount which would allow the ADMS Block Grant to maintain services, taking inflation into account.

Appropriation for Demonstration Program for Women

S.2303, the ADMS Block Grant reauthorization proposal, also authorizes $7 million to assist the States in expanding their current efforts to better address the needs of women. We would encourage the Subcommittee to appropriate the full amount authorized for this demonstration grant program. There is also a proposal to authorize $1 million for each of the two Institutes (NIAAA and NIDA) for research on the service needs of women. We also encourage the Subcommittee to appropriate these amounts which would be separate from the regular NIDA and NIAAA research appropriation.

NIAAA and NIDA Research Appropriations Request

The President has requested $65.8 million for the NIDA research program and $47.8 million for NIAAA, an increase of $8.7 million and $5 million respectively. The Institutes have significantly revised their programmatic activities over the past two years and currently focus most of their efforts on alcohol and drug abuse research, in addition to a small research training program, continued data collection efforts and information dissemination. Whearas NASADAD and ADPA were intimately involved with NIAAA and NIDA when they were responsible for administering the categorical service programs, our contacts are now limited to their data collection and information dissemination efforts. We strongly support a continuing Federal leadership role in these areas and request the Subcommittee to increase their support for these efforts. The data collection efforts of the Institutes, in particular, were disrupted when the ADMS Block Grant was authorized and reporting requirements were repealed. While NASADAD is seeking to continue data collection efforts at the national level on a voluntary basis, it is necessary to insure that the Institutes have sufficient resources to assist in these efforts.

NASADAD and ADPA are particularly interested in securing an increase in the Institutes' research budgets since it is our intent to encourage the Institutes to set aside a significant portion of any new research monies for the funding of practical, service-oriented research. We recognize the value of the biomedical research efforts, which represent the significant majority of the Institutes' research programs, but are frustrated by the lack of support for research efforts that would be of immediate and direct benefit to local service providers, i.e. research on prevention and treatment programs,approaches,effectiveness and cost efficiency. Since the States are required to spend 20 percent of their ADMS Block Grant on prevention services it would seem fair to request that twenty percent of the research dollars should be spent on prevention research which is directly related to State and community needs. We also recommend an expansion of the Institutes' research efforts on the epidemiology of alcohol and drug abuse.

We support the FY 1985 budget request for NIAAA and NIDA research programs and request an increase in the direct operation lines which support information dissemination activities. An increase in the direct operations lines would also permit the Institutes to offset a proposed reduction-in-force for Institute staff.

Lack of Support for NIAAA and NIDA Clinical Training Efforts

NASADAD is particularly concerned that the NIAAA and NIDA clinical training efforts were eliminated in the FY 1983 appropriations process. We feel that just as the NIMH clinical training program was continued, similarly the NIAAA and NIDA clinical training programs should continue to receive support from members of Congress. The national alcohol and drug abuse training systems represented over a decate of coordinated effort by the Federal government, State alcohol and drug abuse authorities and local program personnel. NIDA's training system consisted in its major components of the National Drug Abuse Center, five Regional Support Centers, grants to practically all States and Territories for a State Training Support Program (STSP) and various other national efforts such as the Career Development Center and Management Internship Programs. In addition, diverse training programs were developed to provide an opportunity for paraprofessionals, members of minority groups and former addicts to develop better skills for services delivery and upward career movement. NIAAA has a similar system with a National Center for Alcohol Education and State Manpower and Development Programs (SMDP) in practically all the States. The Administration, in its request to eliminate the clinical training program, expressed the belief that there already existed an adequate pool of alcohol and drug abuse program personnnel who have no further need for training programs aimed at improving services delivery, that non-Federal entities, i.e. the States, will continue to fund these programs. It seems particularly unsettling that at a time when the States and local programs are struggling to make up for reductions in Federal support for direct prevention and treatment services that the Federal clinical training effort is also dismantled and turned over to an already overburdened service delivery system.

NASADAD requests that members of the Subcommittee re-evaluate their decision to eliminate funding for the NIAAA and NIDA clinical training programs. An appropriation of at least $5 million for each Institute in the form of Grants to the States for revitalization of the Statewide training networks should assist State efforts to repair the training network which has been severely crippled by the Federal government's elimination of funding support.

In closing, I would like to thank the Subcommittee for its past support for alcohol and drug abuse efforts. No one is immune to the problems associated with alcoholism and drug abuse. Indeed, all of us have at one time or another observed the human suffering among friends, associates or family members caused by these problems.

Thank you.

ATTACHMENT A

These responses were provided to NASADAD which requested information on the level of demand for prevention and treatment services, the reasons for any increase or decrease in service demand and a description of how the State has absorbed the Federal reduction in funds which accompanied the arrival of the ADMS Block Grant.

Arizona (drug only): Pressures for increased programming in methadone treatment clinics and residential treatment facilities have lead to waiting lists. In particular, demand for methadone related treatment has created a waiting list condition at most facilities in Phoenix. Two state support facilities in Phoenix have a waiting list, as of this writing, of 115 clients. No additional resources have been acquired this year either from the federal or state governments to augment programming. Programs in Tucson are experiencing similar demands for residential and methadone treatment capacity.

Arizona is one of the most rapidly growing states in the nation and part of the rise in demand is associated with this rapid growth. In addition, many arrive in Arizona with no support and only a speculative chance at a job. These people and the families that are dependent on them will likely experience economic and social pressures and may turn to drugs. Therefore, the increased migration plus the unstable conditions they move into heightens the change of drug abuse. Treatment statistics for the first half of FY 84 as compared to FY 83 suggest a 2 percent rise in opiate related registrations and a 4 percent rise in cocaine registrations. Enrollments for marijuana usage is up somewhat. 6,410 people will be treated by years end.

The number of registered clients served from FY 80 - FY 83 has grown as follows: FY 80 (5,378); FY 81 (5,430); FY 82 (5,574); FY 83 (6,193); FY-84 (projected at 6,410). Successful management of the categorical grants and overlapping block funds plus economizing through various efficiency strategies on the part of contracts has lead to expansion without increased financial support. However, in FY 84 the Department of Health Services decided to spend all of the expected FY 84 block in one state fiscal year. That means next year less funds will be available than needed to simply maintain programs at state FY 84 funding levels. It is not likely we will achieve maintenance budgeting even using state FY 83 as the base year. State appropriation discussions currently suggest no chance for any increases in state appropriations to offset the lack of sufficient block grant funds in FY 85.

What is needed is significant increases in FFY 85 block appropriations and no change in the funding formula. Arizona state appropriations have always formed at least half of all funds contracted for drug abuse treatment and prevention. Categorical grants were sizable particularly because of state legislative interest and funding for drug abuse. Any formula other than the current one penalizes Arizona for many years of serious participation in treatment delivery by raising meaningful sums of local $'s.

Arkansas: Demand for treatment and prevention services have increased due to:

- Expanded contact with a wider variety of individuals, organizations, and groups by the agency;
- Recently enacted stiffer DWI penalties; and
- Increased efforts in the area of expanded visibility by the OADAP regarding increased public awareness activities and great expansion in the use of volunteers. Also many Chemical People groups remain functional.

To date, treatment needs are being met. The majority of all funded programs are operating at or beyond funded levels of service. Requests for non-treatment funds and services have increased the most dramatically. The increase has not subsided and shows no signs of doing this. Early intervention, primary prevention, and education levels of service have increased over the year. Requests for information and funds for Channel One types of programs are almost exceeding available resources. To date, demand is being met in these areas. Another consideration is the recently developed education standards package and the forming of a Governor's Task Force on Alcohol and Drug Education. Any sort of report from this group will place additional demands on limited resources.

Reductions in funding accompanying the ADMS Block Grant resulted in a $1.3 million or 37 percent reduction in alcohol treatment funds and a $170,000 or 19 percent reduction in drug treatment funds. Remaining funds were allocated on a per capita basis and stringent administrative and service reimbursement levels were set.

Connecticut: Demand for treatment and prevention services has increased due to:

The Governor's Task Force on DWI; a new law supporting further referrals to treatment after completing DWI courses; intensified enforcement of DWI legislation; increased public awareness of DWI issues; publicity and CADAC effort associated with Chemical People; Governor's Task Force on the Homeless; national and statewide publicity on the homeless alcoholic; expanded use of cocaine; and increased services for the elderly (HFCA demonstration project).

In the current fiscal year there has not been an increase in resources that matches the increased demand for services. The major effort has been to maintain the present funding levels which have been harmed by the decrease in federal funds. The consequences are: a continual waiting list for methadone maintenance; homeless alcoholics are daily turned away from shelters; funds to support community based alcohol/drug task forces is not available; peer counseling programs for youth are not funded.

Reductions in funding accompanying ADMS Block Grant had the following impact:

- The Connecticut Alcohol and Drug Abuse Commission (CADAC) lost 24 percent of its funded positions.
- A Long Term Care Facility for the chronic alcoholic with an anticipated 600 yearly admissions was not developed.
- Methadone Maintenance Programs continued to have a waiting list of 190 individuals.
- Shelters for the homeless alcoholic with a current 37,000 client served are unable to meet demands for more services.
- Prevention: lack of funding made it impossible to develop a Peer Educator/-Counselor Program that would impact 30 schools, 60 adult advisors, 480-600 students trained and 36,000-48,000 students reached through trained peer counselors.
- Approximately 45 community drug and alcohol task forces did not receive funds for such projects as awareness fairs, established hotlines, sponsorship of saferides, effective-parenting courses, etc.

- CADAC could not allocate new monies to high priority target group projects/-programs for women, and youth and minorities.

Delaware: Service demand has risen because of:

Increased utilization of Methadone Maintenance programs apparently due to fluctuation in heroin supplies. Overwhelming increase in intoxicated driver program due to intensified enforcement of DUI laws. Increased utilization of alcohol residential programs due to increased public awareness/confidence in program. Prevention funding freeze instituted in FY 1984.

There are currently extensive waiting lists in DUI programs. A waiting period for residential programs. No increase in state funds has offset federal reductions.

Delaware has attempted to increase the productivity of services providers by completely revising its service delivery and funding mechanisms. While these revisions have resulted in consolidation of services, they were accomplished at the expense of a number of local programs previously funded. Two programs no longer receive our support. A freeze on prevention funds was instituted in FY 1984. While some of the changes made have been positive ones we have been unable to expand services to meet the increased demands referred to above.

Georgia: Service demand has risen because of DWI enforcement, increased evaluation and mandated treatment. Also, the increase is related to an increased availability and abuse of cocaine.

Because of a lack of resources, courts have had to omit evaluation and treatment. There is a greater emphasis on information and referral services, self-help groups and on serving the most disabled, whether or not appropriate.

Federal funding cuts have resulted in:

- Sharp reduction in prevention and training activities;
- Much more emphasis on serving the more disabled, less amenable to treatment client;
- Restricted outreach and early identification/intervention activities; and
- Limited availability to evaluate and provide services to criminal justice system clients.

Also, while no "programs" have closed, services have become less available and accessible by centralization of services in major population areas, closing or sharp curtailment of satellite centers. The number of clients served has remained constant, however, the number and intensity of services provided have decreased. The number of recidivists has increased, and services like family treatment and education have decreased (despite the 20 percent requirement). The number of direct service staff has decreased and some counselors have caseloads that have increased to over 100 at a time.

Louisiana: Increased demand for services are due to:

- Passage of new and tougher DWI legislation coupled with intensified enforcement of the DWI laws;
- New private providers are continuing to open and operate treatment programs for both inpatient and outpatient;
- Increased education and prevention activities have materially increased the demand for services particularly in educational environs; and
- Public awareness of the problems associated with alcoholism and drug abuse has also escalated the demand for services.

The demands for service outstrip the state's ability to provide the necessary services. Clients are placed on waiting lists awaiting placement in appropriate treatment programs. There are insufficient resources to meet the needs for service. Resources refer to dollars, physical facilities and treatment personnel.

Since Louisiana started receiving ADAMHA block grant funding three drug treatment and one alcoholism treatment program have closed. Due to declining revenues in terms of real dollars on both the state and federal level the treatment facilities remaining are overtaxed and have reached a saturation point. The drug programs which were closed had a total caseload of 451 clients and the alcoholism program had a caseload of 204 clients. The closure of these programs has caused the transfer of clients into other programs which are already operating at peak capacity. Programs are saturated and operating with a patient to counselor ratio which almost precludes success in treatment. Group therapy is becoming a necessity as individual counseling sessions are a luxury which can not be scheduled. Therapist burnout and employee turnover are increasing at an alarming rate.

Maryland: Maryland is still under the influence of an over-abundance of heroin and an ever-increasing supply of cocaine. Also evident within the last years in Maryland is a major increase among young people of the use of PCP.

We have not been able to obtain sufficient resources to keep up with the demand. We have officially created 360 new treatment slots by increasing the client/counselor ratio from 25:1 to 30:1 but we presently have a waiting list which approximates 13 percent of our people in treatment, and the present time between application and admission to treatment is 47.2 days.

In Maryland, we have been fortunate in the State Government replacing the majority of lost funds but this merely means we are operating practically at the same level of 1980-81. The money which has been used to replace federal dollars would have been added to our budget anyway so that had the federal funds remained level, the State would have made up inflationary costs and program improvement.

Massachusetts (alcohol only): There is significant increased demand for youth residential treatment programs, need for Hispanic bilingual bicultural half-way houses; increased programs of Fetal Alcohol Syndrome; and stronger drunk driving laws coupled with provisions for more intensive treatment of offenders as conditions of probation. The latter has significantly increased demand for outpatient programs and confined inpatient treatment.

We have only one youth residential program for 16 beds. We get 40 calls a week and could create a 2 year waiting list. The state is level funding us in FY 84 and FY 85 and we are unable to develop new initiatives.

Even though federal funding decreased, we did not have to decrease services because we had federal carryover funds from the formula grant and some state fund increases. However, this is coming to an end after 3 years. Level funding from the Feds and the State will result in no new initiatives to meet increased demand and a gradual reduction of service unit.

Michigan: Increased public awareness of substance abuse problems has resulted in an increasing demand for services. Extensive media coverage of drunk driving problems (particularly in reference to the changes in Michigan's statute which took effect April 1, 1983) has continued with current focus on whether "check lanes" might be implemented. Overall, drunk driving arrests are increasing.

The national "Chemical People" campaign also stimulated a great deal of local interest; many concerned citizens groups are continuing with this effort.

The ongoing economic difficulties in Michigan continue to bring people into services; it is fully expected that substance abuse problems caused or exacerbated by the economic situation will continue to surface over the next several years.

Interest in treatment of adolescents has recently resulted in introduction of legislation which would encourage mandatory inpatient or residential treatment which could include "protective custody" for 72 hours or longer.

Generally, widespread availability of a variety of prescription drugs (especially certain Schedule 2 drugs) as well as an apparent increase in supply and purity of heroin and cocaine will most likely result in maintaining or expanding service "demand."

At the time that budget reductions began to be necessary (FY 1979/80) the substance abuse network was serving about 85,000 admissions on an annual basis. Since that time the level of admissions have remained about 10,000 fewer in each of the last three fiscal years. Although some adjustments in funding sources have allowed the network to remain essentially intact, it is clear that the network has been unable to return to capacity such that prior service demand levels (e.g., 85,000 plus) can be met.

The federal block grant reductions have been somewhat offset by increases in third party fee collections. However, the proportion of admissions that are unemployed has steadily increased to 60 percent of all admissions. Third-party health insurance coverage is not a potential payment resource for many admissions.

Utilization rate of all service categories increased in FY 1982/83 over the prior year in efforts to meet client needs and services demand.

Waiting lists have been necessary in some treatment programs. Even with the establishment of waiting lists, there are indications that treatment admissions in some areas of the state are increasing over the same period of last fiscal year; in southeast Michigan there is an 8 percent increase in treatment admissions for the first four months of the FY 1983/84 period over the same period in FY 1982/83. The number of screenings has also doubled over last year; mostly this is due to drunk driving assessments.

Minnesota: Lack of treatment resources has primarily affected non-insured and public assistance clients. Services for these clients have been affected by the reduction of ADMS Block Grant funds, changes in federal and state entitlement programs (such as Medical Assitance), cut-back or hold-the-line budgets for Title XX and State aids to local governments, decreased local tax revenues due to poor economic conditions, and ratable reductions or prospective payment systems for certain programs.

Minnesota's State Hospital CD treatment programs now have waiting lists for admission. At the same time the number of clients receiving services through Title XIX, Minnesota General Assistance Medical Care and county funding has decreased significantly; clients receiving CD services through those services decreased by approximately 30 percent from 1981 to 1982.

Changes in Minnesota's Driving While Intoxicated laws and increased public awareness of the problem have resulted in an increase in DWI arrests from a rate of 50 per 10,000 persons in 1979 to a rate of 85 per 10,000 persons in 1982. Public awareness of chemical abuse problems in general has also increased due in part to efforts such as Chemical People-Minnesota. The Chemical People project produced a significant increase in requests for prevention materials and programs.

Results of the reduction of Federal support for chemical dependency services in Minnesota include:

The cancellation of funding for five drug treatment programs, the cancellation of funding for four previously direct-funded programs, a reduction in funding for other treatment and prevention programs and the elimination of funding to counties for detoxification transportation.

If FY 85 funding were restored to FY 1980 levels (with an inflationary increase) additional funds to Minnesota would be approximately $2,000,000. Examples of the activities which could be funded include:

1. Restoration of detoxification transportation funding at $300,000, providing transportation for 6,000 clients. Transportation to detox is a significant problem for rural law enforcement officials.
2. Outpatient treatment services for persons with no other source of payment. The cost of outpatient treatment averages $1,400 per client. An allocation of $900,000 in this area would provide treatment for 650 clients. $2,000,000 would provide funding for 665 clients.

Missouri: Increased demand for services has resulted from changes in the DWI legislation which requires offenders to complete DWI programs for reinstatement of the drivers license and increased public awareness resulting from media campaigns such as "Chemical People".

We have been unable to obtain sufficient resources to meet the increased demand as evidenced by the fact that our statewide waiting list for services increased from 195 on July 1, 1983, to 390 in February of 1984.

The impact of the federal reductions are as follows:

o Central office administrative staff decreased from 52 positions to 34.

o Community based vendor agency budgets were reduced initially by 30 percent. The following year budgets were increased by 15 percent, but have maintained for the past three years at approximately 85 percent of the initial level. No programs were closed as the result of the reduction.

Montana: Demand for services have increased due to:

o Increased Public Awareness;

o Intensified Law Enforcement (DWI); and

o More health insurance coverage allowing more people to seek treatment.

There are, however, not sufficient resources to meet the treatment needs of the indigent population, particularly inpatient treatment. Clients are being turned away and placed on waiting lists in publicly funded programs.

Since 1980 the Montana State Agency (Alcohol and Drug Abuse Division/Department of Institutions) has reduced its staff by approximately 38 percent mainly in the areas funded by categorical grants for prevention, education and training services. These services have been reduced substantially and maintained by existing staff, block grant and state funds.

From 1980 until 1984 publicly funded treatment programs have had to remain at current levels of services each year. The state and local publicly funded programs have been unable to expand services or develop new needed services. Caseloads and clients served have remained constant while utilization rates and waiting lists have increased and length of stay has decreased. No major impact has occurred since 1980 and programs have been able to maintain current levels with the reduction of federal funds because of the following: categorical grant funds did not run out until the end of the first block grant year; legislature did not appropriate all block grant funds to increase services; and categorical grant projects were not continued with block grant funds. However, by 1986 we estimate a reduction of services will have to take place if the present funding remains constant. State alcohol and drug funds generated from taxes on the sale of alcoholic beverages has leveled off in 1984 and is projected to decrease in 1985. Present publicly funded programs will have to generate additional revenues (i.e., third party pay or client fees) to maintain current level of services.

New Jersey (drug only): The reason for the increased demand for drug services are:

o New Juvenile Justice Code (1/1/84) and new Family Court System calls for more referrals to community treatment;

o Increased demand for cocaine treatment;

o Increased awareness because of media attention; and

o Continued high demand for heroin treatment services.

Because of fiscal constraints and cut of $4.2 million federal monies, the daily client treatment load has been reduced. Also, monies were diverted from treatment, to comply with the 20 percent prevention mandate of the Block Grant. Clients have been turned away and placed on waiting lists.

Specific impact of the Federal reductions in support include:

- Daily client treatment load has been reduced from 8,000 to 6,100;
- Client fees increased, and because of the lack of Medicaid coverage, indigent clients are charged fees;
- Counselor caseloads have increased from a ratio of 1 to 35 to 1 to 50 and more;
- Almost all programs have a utilization rate of at least 100 percent. A large number of programs are at 120 percent and beyond; and
- Patients are being turned away from treatment services.

North Carolina: Demand for treatment and prevention services has remained stable. However, if additional state or federal appropriations are not forthcoming during FY 1984-85 alcohol and drug abuse programs in North Carolina will experience an approximately 20 percent decrease in funding due to the fact that "carry over" block grant funds will have been expended by close of FY 1983-84.

North Dakota: We have experienced a 300 percent increase in addiction evaluations as a results of a.) public awareness b.) North Dakota DWI Law. We have experienced a 60-75 percent increase in requests for addiction treatment services. Services to family members have increased approximately by 30 percent.

About 30 percent of those requesting services withdraw their request due to waiting period of 3 to 5 weeks. We have had only a 10 percent staff increase.

No programs have been closed or counselors reduced. Low and unincreased salaries and working conditions have forced many senior counselors to leave public employment. Thus, the overall quality of our treatment staff has diminished significantly. We have not kept up with the demands for services.

Waiting lists, overcrowded case calendars and treatment groups, inexperienced counselors (some without benefit of close supervision by experienced staff) have all contributed to reduced treatment quality. No objective measurements are available for this.

Ohio (drug only): Demand for treatment and prevention services has risen due to increased public awareness of drug and alcohol abuse, especially through the Governor's office, the Ohio Recovery Council and local prevention efforts. Increased involvement in schools in the area of substance abuse. Continued high unemployment through-out the State. Increase substance abuse detection, treatment and diversion services in both the adult and juvenile criminal justice system. Greater employee assistance programming. Better identification of populations needing substance abuse services. Intensified enforcement of DUI laws.

For the state agency, there has been a reduction in staffing. Although for service providers the reduction in Block Grant funds was spread over three years, the overall impacts of the reduction are as follows:

a. Clients without resources to cover the cost of treatment, especially residential services, do not have the access that they once had because programs focused more on serving clients with resources to cover treatment costs.

b. There were reductions in the length of treatment.

c. Elimination of extensive client follow-up activities.

e. Increase in the use of group therapy; decrease in the use of individual therapy.

f. Not filling staff vacancies.

g. Increase caseloads for staff.

h. Consolidation of programs, especially in rural areas.

i. Increased competition among service providers for available dollars.

j. Putting clients on waiting lists,

k. Programs are depleting their operating reserves.

l. Lack of program expansions to meet the needs of various special populations (minorities, sensory and motor impaired, Vietnam Veteran, etc.) with substance abuse problems.

Although other sources of funds have been secured for the provision of substance abuse services, these funds have been sufficient to keep up with the demands for services. Consequently, the following were implemented by programs:

- clients were put on waiting lists
- the length of treatment, especially in many residential programs, was reduced

Oregon: Reasons for increased demand for services include public awareness, increased awareness of counselors in allied services (such as vocational and childrens services), increased enforcement of DUII statutes, increased need by the courts for sentencing alternatives, earlier identification (through DUII evaluations) of individuals needing treatment rather than referral to education services and to emphasis on deinstitutionalization of individuals from state correctional and hospital facilities. State institutions simply can't afford the level of service per individual, or serve the number of individuals they previously could. This puts pressure on probation and parole, which in turn puts pressure on local treatment programs.

Sufficient resources have not been available to meet increased demand. Local treatment programs have been under such pressure to accept client referrals from both law enforcement and criminal justice sources that the programs have had to add these referrals to existing workloads...rather than employ waiting lists. All of our service modalities are running at or close to 100 percent utilization except outpatient alcohol and outpatient drug free which are running at 170 percent and 125 percent respectively.

The federal participation was not just reduced by some percentage. After the reduction in total funds coming to a state (in block form) it was then required that 20 percent be set aside (from treatment) for use in prevention and early intervention services. While such services are needed and important, a state had to reduce treatment service funding even further in order to comply. Next, minimum funding percentage requirements were established without regard to any particular state's circumstances; thus, in Oregon, where the ratio of primary alcohol problems to primary drug problems is approximately 5:1, the 35 percent minimun for drug programs created an artificial overabundance of block funding for drug abuse and a corresponding underabundance for alcohol abuse. Additionally, clinical training funds, which were very important to assuring therapists who have diverse backgrounds (recovering, minorities, etc.) in this field, were eliminated and, long range, will have a very negative result.

Beyond the block grant, federal participation in all the related kinds of services that alcohol and drug abuse treatment programs rely on was also reduced. Across the horizontal plane, at the federal level, cuts were effected, and policies were changed, in essential vocational, educational, mental health, housing,...programs. What came down to the state level then was not just a cut in treatment program capacity, but a cut in the whole range of services that make up competent individual treatment plans and that allow individual clients to "keep going" while participating in treatment.

This "range of reductions" descended on down to the local level (the service level) and was promptly made more drastic by the rapidly declining ability of county and city governments to maintain their previous levels of financial participation (let alone compensate for federal cuts). It was a good example of the economic concept of the "multiplier effect" – but in reverse. It's effect on service programs was a contraction far greater in size than federal block cuts alone. It has been perpetuated since then by the threat of drastic property tax relief initiatives, thus, even where a few local governments could help with some of the problems, they have been reluctant to do so.

An additional effect on local programs has been an increase in the number of indifferent or partially indigent clients, thus client fees as a source of revenue for programs has declined.

Programs in Oregon have not closed, nor have they reduced the number of clients they are attempting to serve – it is the reverse: they are serving more people in total and per counselor. But again this choice was not entirely voluntary due to the pressing need to support other critical service systems relating, for example to youth, offenders and so on. The price that's being paid is in counselor stress and service effectiveness. Alcohol and drug abuse services can be stretched so far so long. The interesting thing to see will be how many other critical service systems collapse if treatment finally burns out. The interdependence will be evident – more than is realized.

Pennsylvania: The past few years have produced a leap in Pennsylvania's depth and breadth of understanding and sensitivity to the implications of alcohol and drug abuse. Pennsylvanians are aware, as never before, of the price that society, communities, institutions, families and individuals pay for drug and alcohol abuse. DUI laws, the Chemical People project, which had its origins in Pennsylvania, the cocaine epidemic, health insurance realizations of costs attributable to drug and alcohol, etc., have all been responses to this understanding.

At a time when the drug and alcohol system is implementing strategies to offset federal cutbacks, public interest, in dealing with drug and alcohol abuse is at an all time high in Pennsylvania. Effective and successful prevention, education and intervention programs simply create a higher level of treatment demand. A 40 percent cut in federal treatment support over three years has resulted in the decreased ability of our system to respond to the increased demand for services and to the "newly" unemployed that have lost insurance coverage in Pennsylvania. Waiting lists for residential and hospital treatment have gotten larger and thousands of Pennsylvanians have been turned away from needed outpatient and residential services. Space is available in facilities but "free space" is not available.

Pennsylvania is very fortunate that the Governor and legislature have been supportive of the drug and alcohol system over the past three years with over $3.0 million of increased state support. However, this alone, cannot offset the $5.5 million loss in Federal treatment alone, to say nothing of inflation and other increased costs over the past three years. Over 30 drug and alcohol agencies in Pennsylvania have closed over the past two years. Many of them were reliant on federal funds. The demand for their services was high, but the inability of the public sector to underwrite the cost of services contributed to their demise. The thirty are a mix of inpatient hospital, outpatient, shelter and residential programs located primarily in urban areas. ODAP estimates that between 8,000 and 10,000 Pennsylvanians will be refused care for lack of public support in State Fiscal Year 1984/85. Large increases in admissions and caseloads are not realistic at this point, given current funding levels, since our productivity and performance measures indicate a system that is close to a utilization, saturation point. There are certain residential programs where demand for services is historically high, but empty beds exist for lack of public support. The system needs a significant infusion of restored federal funds to deal with the uninsured and youth being referred for treatment as a result of prevention initiatives. Philadelphia and Pittsburgh, in particular, have been acutely impacted as a result of the federal cuts.

Pennsylvania has put on line 20 percent of its Block for prevention/intervention efforts. These efforts are needed and successful. However, the redistribution of $2.2 million treatment block funds to Prevention/Intervention had the net effect of developing one side of our system to the detriment of another. The cuts plus the redistribution within the Block have created Pennsylvania's treatment dilemma.

Puerto Rico: Demand for services has increased because of a greatly heightened awareness of alcohol and drug problems among both citizenry and private sector; sharp increases in use of Puerto Rico as an intermediate stop on South American drug routes, e.g.: average 3.2 crafts confiscated weekly, either air or sea, often already unloaded and heavy emphasis on legal drug manufacture and beverage alcohol production, increasing annually.

Clients are never refused treatment, but there are now only 30+ alcohol beds and 33+ drug beds for a population of 3.5 million. Waiting lists for evaluation are often three-four weeks, and for entry sometimes up to six weeks. Also, there are literally no private hospital or drug beds in Puerto Rico, they not being conditions deemed eligible for insurance reimbursement. However, some emergency treatment is given in State and Municipal hospitals.

As ADAMHA funding has decreased, the Commonwealth (State) has attempted to replace those funds with State revenue dollars. This replacement has resulted in level funding only, without an increase for COL adjustment or inflation.

A series of alcohol, drug, prevention and criminal and juvenile justice centers have closed, and their services consolidated into other area centers. The net results are increased caseload, less accessibility to treatment or intervention, clients who cannot avail themselves of ambulatory services because of transportation difficulties, occasional shortages of routine medication, physicians forced to cover more than one facility or cut their hours, and many others. The increased emphasis on ambulatory or out-patient services has substantially increased the rate of recidivism in all areas.

South Carolina: Comparing first six months of FY 83 with first six months of FY 82 shows a 7.4 percent increase in clients and a 13.4 percent in number of service hours. Contributing factors include increased public awareness of the problem; new Driving Under The Influence Law.

Treatment caseloads have increased and funds to employ sufficient staff to handle this increase are not available. The capability of the system to absorb new clients has reached its peak. In prevention, while there has been increased revenues, there is still a serious deficiency due to resource shortage. Printed material, once provided by clearinghouses is a critical need. Also, resources for programs in the schools are needed.

Available beds in detoxification centers have decreased by 24 percent and days of service have declined by 42.5 percent; as existing centers have been forced to place greater emphasis on client fees, utilization has suffered because of more stringent readmission requirements for clients who did not pay for earlier admission and still had an outstanding debt to the center.

Halfway house beds have declined by 27.6 percent and days of service have dropped by 25.7 percent.

Two residential drug treatment centers with a total of sixty beds have been closed.

Outpatient clients and hours of service have climbed steadily as the system has improved its efficiency but we have now reached the point of overload.

West Virginia: Service demand had increased due to an increased public awareness; a court mandated increase in services to the public inebriate; compulsory treatment provisions for DUI offenders.

Although there has been an increase in state allocations, it has not been sufficient to meet the demand. No one is turned away, but the level of services available is insufficient. Our particular needs are: increased prevention programming; residential treatment programs for adolescents a long-term residential treatment program for the chronic alcoholic; and, expanded residential treatment capacity.

The reduction in federal funds has not been met by an equivalent increase in state funds. The most dramatic area of service reduction has been in prevention, with a reduction in services of at least 50 percent. A statewide reduction in outpatient treatment staff of at least 20 is compounded by the fact that remaining staff are frequently not designated solely as substance abuse staff. Caseloads have increased. Services are offered on a less frequent basis, and there is less variety in the services offered. There is no training money. State level administrative staff have been reduced by 3 professional and 2 clerical positions, including the prevention coordinator and the training coordinator.

Wisconsin: Demand for alcohol treatment and prevention services in Wisconsin has increased dramatically as a direct result of the emphasis on intoxicated drinking enforcement. Unfortunately, at the same time that the demand for treatment and prevention services has increased there has been a decrease in available resources at the local level both in relation to the number of clients which can be served and the number of program staff which are supported by the public dollars. Also, monies in recent years to allow the programs to keep up with inflation. Expansion of services is at a standstill.

The 56 alcohol and drug services county board across the States received 4 percent decrease in Federal dollars in FY 84-85. Milwaukee County is scheduled to lose approximately $80,000 in block grant dollars in the coming year - an amount which is equal to the cost of one of their treatment programs.

Wyoming: Demand for services has remained stable. The state of Wyoming has used general funds to augment the declining federal funds. We have continued support to all previous categorical recipients but have reduced the level of two NIAAA projects by 15 percent per year. FY 85 will be the last year that the two NIAAA projects will receive funds. One, a small poverty program, will probably close after FY 85.

ATTACHMENT B

Question: If Congress increased the ADMS Block Grant award by 10 percent how would you utilize the additional monies?

Answers:

Arizona (drug only): Arizona would set $9,794,400 instead of $8,904,000 or an increase of $890,400. The drug abuse share of the higher award would be approximately $2,867,487 ($260,681 more than the FY 84 portion). This limited increase would be used simply to attempt not to lose as much in service capacity as would disappear without the $260,681. All scenarios played out within the Department show a loss in funds even with a 10 percent increase in block funds. A related effect will likely to be the loss of some locally derived funds that contractors provide to match state funds.

Arkansas: Priority areas for the State of Arkansas are listed as follows and are not in rank order necessarily:

1. Overutilization of existing treatment programs.
2. Efforts directed toward youth.
3. Efforts directed toward women.

Connecticut: Connecticut will experience in FY 1985 a shortfall in federal funds nearly equal to 10 percent of its ADM Block Grant. The additional 10 percent, therefore, would be used to maintain the existing needed system of services including a very modest inflationary increase. It would not be possible either to expand the present system or develop new programs.

Delaware: Any additional funds, if in sufficient amounts, would likely be used to assist us in providing services not currently existing in our overall system (residential drug abuse rehabilitation; partial care/day care; long term alcohol rehabilitation; etc.) some of which would effectively target special groups. Existing programming, especially our outpatient services, needs to be enhanced to provide increased accessibility in all geographic areas. Special groups would benefit from this as well. We would greatly prefer, however, that any additional funding not be specifically earmarked for special populations.

Georgia: DUI offender evaluation and intervention efforts. Increase in prevention and training programs.

Louisiana: Would provide for special programs to address:

a. The physical abuse in families, i.e., child abuse (also see item "c") spouse abuse, geriatric abuse, which has a high correlation with the use and abuse of alcohol and drugs.

b. Women and their dependent children in treatment and halfway house settings.

c. The high incidence of child abuse by teenage single mothers (85 percent) who are alcohol or drug abusers (70 percent).

d. The high incidence of suicide in the chronic recidivist alcoholic.

e. The critical need for expanded efforts in the areas of prevention and education. Suggest beginning before kindergarten.

Maryland: The primary use of any new monies would be to relieve the strain on our opiate addiction treatment network. The second priority would be to impact upon youth between the ages of 14 and 18, and the third priority would be to use 20 percent of any increase in our ongoing prevention efforts.

Massachusetts: They would be targetted for special populations:

1. Youth residential treatment programs, and

2. Two hispanic half-way houses.

Michigan: Any additional funding through the federal block grant would be generally evenly applied to prevention efforts and treatment services (particularly for services to indigents and unemployed persons).

Minnesota: Additional monies would be targeted to providing treatment services to public assistance clients and others with no sources of funds.

Missouri: Additional revenue for the Alcohol and Drug Abuse Program services would be utilized to provide a minimum core of detox, residential and non-residential services in those service areas where currently no services exist.

Montana:

- o Assist to maintain current services for publicly funded treatment programs.
- o Provide additional inpatient care for indigent population for areas of the state not close to the State Inpatient Treatment Center.
- o Provide treatment services to youth.
- o Develop transitional living facilities in needed locations.

New Jersey:

- o Increase funding for over-utilized treatment.
- o Increase federal and state share for treatment costs. For example, a residential bed receives only $4,500 per year.
- o Provide more services for youth. At the present time only 5 percent of treatment services are for youth.
- o Provide services for cocaine abusers and prescription drug abusers (especially women).
- o Expand community/school intervention services.

North Carolina: If additional state funds are not appropriated for FY 1984-85 a 10 percent increase in the alcohol/drug block grant would be used to maintain existing services levels. If additional state funds are appropriated a 10 percent increase would be used for the following purposes:

- — to facilitate the deinstitutionalization process by the development of community services needed to replace those services previously provided by three of our state mental institutions;
- — to provide training necessary to increase quality of services delivered;

- to provide for case management services, which in addition to increasing quality of services, would also promote a more effective use of existing community resources;
- to increase program utilization through the development of more extensive outreach services; and
- to increase prevention programming.

North Dakota: Any increase would be used only to partially close the quality gap. A 30-50 percent increase is necessary to close the gap completely. No new programs could be launched unless the increase is substantial.

Ohio (drug only): If only a 10 percent increase would be given, services providers would be able to:

a. Fill many vacancies among treatment and prevention staff.

b. Give staff salary increases (in some cases, there have not been any increases given in over two years).

c. Serve some of the clients on waiting lists.

d. Increase the services provided to adolescents.

Grant reauthorization the funding level be returned to the FFY '80 level. This would provide necessary funding for:

a. Additional outpatient and residential treatment services for

  o women

  o adolescents (especially those identified through prevention programs)

  o mentally impaired (especially those who are chronically mentally ill)

  o those without sufficient resources to cover treatment costs,

  o those with sensory and motor impairments

  o employee assistance programs

b. School and community based prevention programs, especially for:

  o minority populations

  o employees

  o prescription drug abuse

  o professionals

  o those with sensory and motor impairments

c. Increase substance abuse services in rural areas.

d. Community-based services for those leaving the correctional system where treatment services were initiated.

Oregon: With additional funds we would bolster our outpatient service capacity in general, and in particular, we would increase service to youth and the elderly.

Pennsylvania: Pennsylvania would prefer to see any increased federal support expand the existing block, instead of reverting to former categorical approaches, with special target population set-asides or state demonstrations. Most states can easily determine their own state and local priorities. In the case of Pennsylvania, our decentralized State-County partnership will continue to give counties flexibility in matching resources to needs.

Therefore, we will not superimpose more target populations; but will continue to rely on our statewide planning process to determine local priorities. The funds would go for treatment except for the 20 percent share of the increase for Prevention/Intervention. Populations needing treatment are so numerous in our communities that a reasonable mix of women, minority groups, youth, elderly, unemployed, homeless, etc. will be better served with increased funds. Target groups will vary from county to county.

Pennsylvania perceives that our current level of federal prevention/intervention support is adequate. Hence any increased federal funds above the 20 percent prevention/intervention minimum will go to treatment unless a county can document that its treatment needs are met and its prevention/intervention efforts need further development.

Puerto Rico: If there were to be a funding increase, some satellite centers could be reopened, the prevention centers reopened, and some funds dedicated to laying the needed groundwork for eventual third-party reimbursement and increased private sector participation.

Development of programs which provide residential and therapeutic care for women alcoholics and drug addicts; programs which address the subpopulation of women alcoholics and drug addicts such as, elderly citizens, youth, incarcerated women, and others. Development of an orientation telephone line program for the community.

South Carolina: This depends upon our success in obtaining additional state funds for FY 85. Presently, our chief funding need is to provide additional support to the outpatient treatment program. Following that we need to bolster our school prevention and intervention programs. This is how we would use if no state funds are obtained. If we are successful, any additional funds would be used to look at special populations and programs in the schools.

West Virginia: A 10 percent increase in the ADMS Block Grant would give the West Virginia substance abuse program an increase of only $120,000. Our first priority for the use of this money would be to increase prevention programming. We would hire a full-time prevention coordinator, and use the remainder for special prevention projects, similar to "Channel One", aimed at regionally identified at-risk populations.

Wisconsin: Any increase in Federal ADMS Block Grant dollars would be used to offset recent reductions in support to the 56 county boards. As the ADMS Block Grant priorities set by the State include a special emphasis on minority target populations the increase would result in a direct improvement in services for these special populations. Two programs which address the prevention needs of Indians and women currently receive the highest priority under the ADMS Block Grant prevention support. These programs would significantly benefit from any increase in the ADMS Block Grant.

Wyoming: The additional funds would be used to maintain the categorical programs and could offset the 15 percent planned reduction.

Mr. BESTEMAN. Good morning, Mr. Chairman. Thank you for letting me testify. I have with me Kenneth Eaton, who is the joint chairman of ADPA and NASADAD State legislative committee. The NASADAD functions as a State council within our organization, so that many of our legislative concerns are similar and overlapping.

Our statement reflects that for the record, and I would like to summarize a few points of the statement at this time.

I think it is important to note that in the drug and alcohol area, the State agencies who are already in charge of these block grant, and particularly the statewide services grant, and both the agencies, NIDA and NIAAA were using several of the economies which were supposed to occur when the block grant came into existence, had already occurred, so that in some ways, the anticipated savings, they were to be felt in that move, did not happen in drugs and alcohol. The history of funding, in the block grant did contain a substantial reduction by management at the State level. This impact was spread over 2 fiscal years, but, the ability to manage those reductions, and, some of the increased demand has caused the full impact of that to be occurring right now.

And there is data in the attachment to the testimony that will give some State-by-State summaries. So we would urge the subcommittee to appropriate at a level to maintain the recent service resources there now, and certainly, to accommodate it to inflation, as it has occurred.

We're particularly pleased with the special authorization to assist the States in assisting women. The Alcohol and Drug Association has had as a priority concern and has formed the North American Women's Commission to do advocacy work and help to form coalitions in the field to better address this. We have experienced considerable success and receptivity in this effort. And I think the fact that funds will assist in initiating new programs in this area are extremely important.

We fully support the testimony funds for NIAAA and NIDA, and we would like some service-oriented research and to assist, by making a larger investment in prevention research projects. In the block grant States they must donate 20 percent of their effort to prevention. Neither institute devotes anything near that level in prevention research. And I think the service providers and the people working in the prevention field would benefit from good evaluation and research projects that would give them new techniques that they could be assured would be effective.

There has been a significant loss to the resources of the field, when clinical training funds were eliminated in fiscal year 1983. We are getting repeated reports of burnout of clinicians who are in the field. There are increasing reports of overburdened patient loads for clinicians, because people are either unable or unwilling to continue to work in the drug and alcohol fields which are very demanding for the clinician.

We have found that when we can get young professionals, as part of their training, devoted to this area, that they tend to maintain their experience in the field for a much longer period of time.

Thank you.

Senator WEICKER. Thank you very much.

STATEMENT OF HERMAN PARDES, M.D, PROFESSOR AND CHAIRMAN, DEPARTMENT OF PSYCHIATRY, COLUMBIA UNIVERSITY

Senator WEICKER. Next we have Dr. Herbert Pardes, professor and chairman, Department of Psychiatry, Columbia University.

Dr. Pardes, nice to see you again.

Dr. PARDES. Senator Weicker, Senator Inouye, I am not presumptious enough to say that I represent the collective constituency concerned about mental health in this country, although, for the last 5½ years I was in charge of the Institute of National Health and tried to assess what their concerns were.

Never before has there been such an exciting time in research for mental health. In the last several years there have been two Lasker awards and one Nobel Prize given to people working on issues related to the brain and behavior. These are only some signs of an extraordinary creative burst in this field. We have a new capacity for measuring degree of brain activity with little discomfort to the subject. It may be as important in psychiatry as developments like chest x rays were for pulmonary medicine and EKG's were for cardiology.

We have a capacity to visualize the kinds of internal chemicals called neurotransmitters in the brain which seem to be related to a variety of functions including pain relief, anxiety, sleeping, eating, and many others. These transmitters also seem to be implicated in the development of psychiatric disorders. By being able to visualize them, we will likely develop a capacity for developing new and better drugs, ones with greater potency and less side effects.

I could go on recounting the development in this extraordinary field, but I have to bring you another message. There are in the neighborhood of 33 to 38 million people with psychiatric disorders in this country. The number of research dollars going to support the science to understand their diseases and improve their treatments is a pittance. Further, Senator, it must be done by the public sector for the private sector has not yet gotten over the stigma attached to mental illness to suport it in sufficient amounts. Specifically, 85 percent of every research dollar in mental health comes from the public sector. In contrast, in other areas of health, only 58 percent comes from the public sector because the private sector and private individuals contribute some 42 percent of every dollar. If the Government doesn't do it, for the most part it will not be done in this instance.

Now the stigma attached to mental health and psychiatric disease has its effect on Government support. From 1969 to 1976 the actual number of dollars for support in mental health research went down in absolute terms. Forget about a correction for inflation, it was actually a reduction before taking inflation into account. Further, in the years 1981 and 1982, the mental health budget suffered again, so that today nearly all of the psychiatric disorders affecting the 33 to 38 million people have a grand total of under $180 million going to support them for research.

With a reasonable increase in 1976, this would have been closer to about $360 million. I would submit that even with just ordinary increases, this budget would have been about twice the amount that it is today.

I know your compassion, Senator, so I need not spend much time telling you of the devastation that the development of the schizophrenic illness in a child causes a child. Suicides in adolescents abound. The work force is comprised by pervasive depression, children with learning disabilities and hyperactive disorders, as well as phobias.

I am not insensitive to the fact that these cost money. It is my money as a taxpayer as well as any others which has to go to pay for research on these devastating disorders.

All I'm asking for is a modest increase to get back to the buying power that we had in the early 1970's.

My case is simple. The research promise has never been better. The pervasiveness of psychiatric disorder is enormous, investments in research in mental health have been economically advantageous, such as lithium treatment has saved some $6 billion in research in this country in the last few years. The $30 million we request is not large, in that other institutions have had more than that in this year and past.

I ask you, Senator Weicker, to champion this cause and take on this cause for people who cannot take it on for themselves.

Senator WEICKER. Senator Inouye?

Senator INOUYE. No; I don't have anything.

Senator WEICKER. You just joined Columbia 3 months ago?

Dr. PARDES. Three months ago.

Senator WEICKER. In that brief period of time, what do you find the attitudes to be in the academic world? Do you find it to be low priority, in terms of the Government's support?

Dr. PARDES. I think it's disparity between the Government support and the excitement in the field. People are making the commitments and the discoveries and it's not backed up by support. You have a number of researchers who, I think, if you want to describe their psychology, it's one of people with their fingernails on a cliff about to go over.

Senator WEICKER. In the area of this budget, what do you consider to be the No. 1 priority, that is lacking, as far as the administration is concerned?

Dr. PARDES. A substantial correction to the research budget, and my second concern would be the research training budget. We're having a big problem, in terms of finding ways of supporting young investigators. I would add that I'm also supportive of your likely inclination to restore the clinical training to the community budget, but if you ask me to prioritize, I'd put research first and research training second.

PREPARED STATEMENTS

Senator WEICKER. Thank you very much. Dr. Pardes, your statement will be included in the record at this point, along with other statements submitted for the record on appropriations on the Alcohol, Drug Abuse, and Mental Health Administration.

[The statements follow:]

STATEMENT OF DR. HERBERT PARDES

Senator Weicker, I am honored to have the opportunity to meet before your distinguished committee to talk about the problems and needs in mental health. Never before has there been such an exciting time in research for mental health. In the last several years there have been two Lasker Awards and one Nobel Prize given to people working on issues related to the brain and behavior. These are only some signs of an extraordinary creative burst in this field. We have a new capacity for measuring degree of brain activity with little discomfort to the subject. It may be as important in psychiatry as developments like chest x-rays were for pulmonary medicine and EKGs were for cardiology.

We have a capacity to visualize the kinds of internal chemicals called neurotransmitters in the brain which seem to be related to a variety of functions including pain relief, anxiety, sleeping, eating and many others. They also seem to be implicated in the development of psychiatric disorders. Further, influencing them is the mechanism by which useful treatments seem to work in many psychiatric diseases. By being able to visualize them we will likely develop a capacity for developing new and better drugs, ones with greater potency and less side effects.

There is the possibility of transplanting brain tissue, there is the development of drugs like lithium and then drugs like tegretol, which help the 30 percent of people not helped by lithium. There are improvements in the diagnosis of psychiatric disorders. This means by more precise diagnosis we are able to be more specific about the treatments that are most helpful for those particular diagnostic situations. New research is making it possible to explore the basic functions of memory and learning. If we can make advances here we will have tremendous impact on disorders like learning disabilities, and dementias.

I could go on recounting the developments in this extraordinary field, but I have to bring you another message. There are in the neighborhood of 33 to 38 million people with psychiatric disorders in this country. The number of research dollars going to support the science to understand their diseases and improve their treatments is a pittance. Further, Senator, it must be done by the public sector for the private sector has not yet gotten over the stigma attached to mental illness to support it in sufficient amounts. Specifically, 85 percent of every research dollar in mental health comes from the public sector. In contrast, in other areas of health only 58 percent comes from the public sector because the private sector and private individuals contribute some 42 percent of every dollar. If the government doesn't do it, for the most part it will not be done in this instance.

Now the stigma attached to mental health and psychiatric disease has its effect on government support. From 1969 to 1976 the actual number of dollars for support in mental health research went down in absolute terms. Forget about a correction for inflation, it was actually a reduction before taking inflation into account. Further, in the years 1981 and 82 the mental health budget suffered again so that today nearly all of the psychiatric disorders affecting the 33 to 38 million people have a grand total of under $180 million going to support them for research.

I know your compassion, Senator, so I need not spend much time telling you of the devastation that the development of the schizophrenic illness in a child causes a family. Suicides in adolescents abound. The work force is compromised by pervasive depression, children with learning disabilities and hyperactive disorders as well as phobias.

I am not insensitive to the economic constraints under which our country operates today. It is my money as a taxpayer as well as any others which has to go to pay for research on these devastating disorders. Those of us concerned about mental health and also about the economy have made what I think is a sensible recommendation. Let us try at least to get back to the purchasing power of the early seventies. In order to do this a modest inflationary increase for this year along with a correction of the tremendous loss in buying power over the last ten to fifteen years would amount to something in the neighborhood of a $30 million increase in research for mental health. You eloquently stated the case of the woman who told you that she could not understand last year how over $150 million, I believe, was going to go for poison gases when that was the precise amount needed to enhance the research on paraplegic disorders, a disorder from which her son suffered. In like fashion, I ask you if $30 million or something in the neighborhood of a 17 percent increase in the mental health budget is too much to ask for some 33 to 38 million people and their families around the country.

Who ordained that research on psychiatric disorders should be maintained at under $200 million, when small amounts of military budgets are gauged at billions?

My case is simple Senator:

1. The research promise has never been better.

2. The pervasiveness of psychiatric disorder is enormous.

3. Investments in research in mental health had been economically advantageous - I cite for example, the fact that lithium treatment development has saved some $6 billion in the last 15 years in this country. That is more money than all the money ever put into mental health research over all these last 30 to 40 years.

4. If you want to convert millions of citizens currently compromised in their productivity by virtue of crippling psychiatric disorders to productive citizens who can help the economy of this country, you must see the wisdom of supporting our scientific endeavors.

5. The $30 million request we make as an increase is not an unusually large increase and in fact last year and in many other years several other institutes received increases of $30 million or more.

I speak knowledgeably to you Senator Weicker because I know of your thoughtfulness and sensitivity as well as your concern about people who suffer. I appeal to you to be the champion of this difficult cause, as you have so many times in the past, and take the action for those who cannot act for themselves. The $30 million we request is the best promise for reducing suffering, restoring citizens to useful lives and using good sense in science and health to advance the vitality and economy of this country.

I thank you.

STATEMENT OF DR. DAVID C. LEWIS, PRESIDENT, ASSOCIATION FOR MEDICAL EDUCATION AND RESEARCH IN SUBSTANCE ABUSE

Mr. Chairman and members of the Subcommittee, I am David C. Lewis, M.D., Professor of Medicine and Community Health and Director of the Center for Alcohol Studies at Brown University, Providence, Rhode Island.

The organization which I represent is the Association for Medical Education and Research in Substance Abuse, a 260 member national association with members in 100 medical schools. Begun in 1976 as an outgrowth of the NIDA/NIAAA funded Career Teacher Program, we are the national organization primarily concerned with medical education in substance abuse. Our members are engaged not only in research, but also in the treatment of alcoholism and other forms of drug addiction and in clinical research.

Particularly in our educational activities, we are acutely aware of the pressing need for quality research at this time. The recent progress that has been made in the research field, not only in new research findings but also in the increasing quality of research applications to NIAAA, leads us to make a strong recommendation for a substantial increase in funding for research and research training over the President's Budget Request.

The 1980 Institute of Medicine study and report of the opportunities and priorities for research in the alcohol field documented the meager funding of the NIAAA research and research training budgets compared with the other NIH Institutes.

In 1983, A research Planning Panel comprised of leading scientists prepared a report of research status and opportunities for the Director of NIAAA. That report carries forward the Institute of Medicine Report and documents exciting recent advances in the science related to the effects of alcohol and our understanding of alcoholism. A summary of the 1980 Institute of Medicine Report and the Research Panel Report is appended to this testimony.

In view of the magnitude of the health and public health problem of alcohol abuse and alcoholism, there should be at least a doubling of the NIAAA research budget and a ten-fold increase in the NIAAA research training budget.

We understand that while the magnitude of our recommendation may be sensible, it may not be feasible. However, a more modest recommendation is, we believe both feasible and essential.

We suggest that 11.8 million be added to the President's Budget Request in the following manner:

Additional Funds Needed

-- $1.1 million to fund all 9 centers at full Council approved level

-- $.5 million to fund 10 new/competing RSDA's

-- $1.0 million to have the flexibility to fund new research contracts

-- $1.5 million for potential shortfall to fund regular research grants at full Council approved level

-- $3.5 million for an additional 184 trainees to equal 7% of NIAAA's total research expenditures. This is the same percent as NIH, ADAMHA, and HRSA

-- $4.2 million for an additonal 37 new regular research grants in order to make NIAAA comparable to NIH and other ADAMHA Institutes. Presently NIAAA funds only 28% of all approved grant applications whereas NIH and the other ADAMHA Institutes fund at least 39% of all approved applications.

In closing I wish to make the Committee aware of the need for the training of medical educators and educators in other health professions in the field of Alcoholism and other Chemical Dependencies. The Career Teacher Program is widely regarded as one of the most successful ever undertaken by the Federal Government. It is our hope that in the future the authorization for this program or a similar one will be restored.

EXECUTIVE SUMMARY OF THE REPORT OF THE NIAAA RESEARCH PLANNING PANEL

The Charge to the Panel was to review and evaluate the current NIAAA research portfolio, using as base the Institute of Medicine (IOM) Report of Research Opportunities published in 1980; to identify unmet needs and new research opportunities arising from advances made in the past five years; and to recommend programmatic initiatives for research training to meet the needs of the future.

Summary Evaluation

The existing NIAAA research portfolio is divided into the same six research areas as in the IOM Report: Biochemical/Genetic; Neuropharmacological; Clinical and Epidemiological; Psychosocial; Prevention; and Treatment. The portfolio shows that research is being conducted in all six areas, and almost all the component subcategories within each of the six areas have ongoing research. The number of projects within each area and subcategory is, however, quite variable; this is understandable in light of the small budget of the Institute, the breadth of alcohol-related research needs, and the intense competition of research applications for these scarce dollars. A critical deficiency in the Institute portfolio is notable in the area of research training. It is evident that more and more state-of-the-art methodologies are being applied to address old and unresolved as well as new questions in alcohol-related research. These activities have led to important advances in the field (vide infra). There are active research efforts addressing several research opportunities identified in the IOM Report, although some have attracted few or no ongoing projects. There are many reasons for the continued existence of unmet needs and opportunities, the foremost being the low level of funding for alcohol-related research in relation to the magnitude and scope of the problems attributable to alcoholism, alcohol abuse, and problem-related drinking. The Panel recommends that the Institute should continue to encourage the widest range of investigative talent to apply for research funding in all subject areas. Scarce dollars should not be used to support research just to cover an area of perceived need; quality must take precedence over topic.

Important advances have been made in all six areas of alcohol-related research in the past five years. Some examples are:

- the development of animal models;
- the discovery of genetic variants of the enzymes responsible for the oxidation of alcohol and acetaldehyde;
- the gains in understanding about how alcohol affects cell membranes and brain neurotransmitter systems and receptors in producing intoxication, tolerance, and dependence;
- the demonstration of the Fetal Alcohol Syndrome in animal models;
- the detection of heavy consumption through laboratory test profiles;

- the finding of a decline in the importance of demographic characteristics in shaping variations in alcohol use;
- the realization of the existence of a substantial degree of instability or change in alcohol-related problems over significant portions of individual life-spans in some populations;
- the development of improved diagnostic criteria that recognize alcoholism and alcohol abuse as multiple patterns of dysfunctional use, which result in multiple forms of disabilty;
- the realization of the need for more specific and efficient interventions and the diversity of acceptable outcomes; and
- the development of new approaches and technologies for prevention.

Among the identified recent research advances, two areas were singled out as being more significant than the others because they appeared at this point more likely to also affect the direction and focus of other research areas. One of these is the consolidation of evidence in humans and experimental animals that there is genetic variability in a variety of responses to ethanol, alcohol metabolic rate, drinking behavior, and vulnerability to alcoholism itself. Further, there is variability within an individual/animal in the response of different organ systems to ethanol and even of different types of cells within an organ. The firm establishment of the existence of genetic predisposition to alcoholism in at least some of the afflicted individuals clearly has important bearing on future treatment and prevention strategies. Although what is inherited that predisposes an individual to alcoholism is presently unknown, elucidation of the neurobiological and biochemical correlates of normal and abnormal drinking behavior and of other alcohol-evoked responses should provide clues and testable hypotheses. Research into the nature of between-individual and within-individual variability is, therefore, a new opportunity that has emerged in the biomedical arena. The application of molecular biology and recombinant DNA technology to basic issues of the genetics of these processes should now be a feasible research objective.

For genetically predisposed individuals, it can be postulated that alcoholism arises from the interaction of biological vulnerability with psychosocial risk. Accordingly, a biobehavioral conceptual model should be developed as a framework for future interdisciplinary biomedical and psychosocial research. We need to elucidate not only the nature of biological vulnerabilty but also the psychosocial risk factors that promote drinking, and we need to examine how they interact to provoke and sustain the expression of alcoholism and alcohol abuse in these individuals. Appropriate subjects for these kinds of studies are the children of alcoholics.

The Panel recognizes that genetic predisposition is identifiable in only a part of the population exhibiting alcoholism and alcohol abuse, and biological vulnerability may not have the same degree of ascendancy in other alcohol-related problems such as teenage drinking, driving while intoxicated, or alcohol and violence. In these instances, psychosocial and sociocultural factors may predominate. Given the high prevalence of alcohol use among American adolescents, an urgent research task is the acquisition of greater understanding of the process of initiation into alcohol use and abuse in this population; important advances have been made in this regard recently. These were singled out as the second area that should have a significant impact on future research directions.

Studies have shown a linkage between problem drinking and other problem behaviors such as cigarette smoking, illicit drug use, delinquency, and precocious sexual experience in youth. This "syndrome of problem behavior" is negatively correlated with conventionality and is associated with a set of psychosocial risk factors which explain cross-sectional variation in involvement in problem drinking and which are predictive of the onset of drinking and problem drinking. Further research has also advanced understanding of the developmental role that drinking plays in adolescence.

Building on these advances, new research opportunities in the second area of psychosocial research are (1) the further characterization of the syndrome of health-compromising behaviors in youth such as its relationship to other health-related behaviors, stages of development, and generality across sex, ethnic, and social class boundaries; (2) further exploration of the nature of psychosocial risk for problem drinking, the generality of these risk factors across demographic boundaries, and the contribution of the larger society and culture to such risk; and (3) the further elucidation of how attitudes toward drinking as a transition-marking behavior in development are shaped in youths. These kinds of research have important and direct bearing on the formulation of prevention and intervention strategies in the future. For these purposes, longitudinal or cohort studies in normal populations of youths of different ages are needed.

The Panel recommends that the new research opportunities cited above should not be prioritized at the expense of other research areas becoming underserved or the normal programmed growth of ongoing projects becoming restricted. Rather, they should be developed as new initiatives to attract new quality applications and increased research funding into the field. The Panel also identified other research opportunities in the Biomedical/Clinical, Psychosocial/Epidemiological and Treatment/Prevention areas, as well as in underserved populations. Many of these are reaffirmations of the research opportunities and needs contained in the IOM Report and other relevant documents. The Panel unanimously agreed that all areas of research relating to alcoholism, alcohol abuse, and the health and social problems caused by alcohol are grossly underfunded. Although there has been an increase in funding in this fiscal year, a sustained increase in funding over many years will be necessary to meet the needs of the field.

Other programmatic issues the Panel was charged to evaluate were the Alcohol Research Centers, clinical trials for assessing treatment efficacy, and research training. The Panel considers the centers, when functioning as Specialized Research Centers, to be a valuable asset to the field. However, they are underfunded. Therefore, the Panel recommends as the first priority that future growth for the Centers Program should concentrate on funding existing centers at their respective Council-approved, direct-cost levels, rather than creating more new centers. Furthermore, since the Centers Program is already expending a large portion of the Extramural Program budget, the relative growth of the other components of the Extramural Program (e.g., R01, NIRA, RSDA) should be greater than that of the Centers Program in the future. The Panel recognizes that randomized, controlled clinical trials are the best means to address important research issues such as treatment efficacy. However, they are costly and complex to manage, and alcoholism treatment research is still beset with several serious methodological problems. Thus, the Panel believes that it is both premature on scientific grounds and unrealistic vis a vis the small size of the NIAAA budget to embark on full-scale clinical trials at this time. Rather, the Institute should support research directed at solving methodological problems such as patient definition and classification, outcome evaluation, and standardization of treatment modalities. It should encourage collaborative treatment research with other Federal agencies and private sectors that already have large ongoing treatment programs to address these problems.

Finally, research training is clearly a very deficient area in the alcohol-related research. Research training is essential for the stabilization of future, high-quality research growth and this deficiency needs to be rectified quickly. There is need for training of postdoctoral personnel as well as the retraining of investigators with proven records in fields other than alcohol-related research. Several means were discussed to attract new investigators from all relevant disciplines into the alcohol research field. The research community at large needs to know that there are not only research opportunities in the field, but also a variety of NIAAA-sponsored avenues for their entry. Most of all, they need to know that there is stable and continued growth in research funding that makes research in alcohol-related problems viable career goals.

NIAAA Research Planning Panel

William Mayer, M.D. (Co-Chairman), Administrator, Alcohol, Drug Abuse, Mental Health Administration, Public Health Service

Ting-Kai Li, M.D. (Co-Chairman), School of Medicine, Indiana University

Floyd Bloom, M.D., Arthur V. Davis Center for Behavioral Neurobiology, The Salk Institute

Sheila Blume, M.D., National Council on Alcoholism

Sally Davis, L.C.S.W., California Department of Alcohol and Drug Program

Samuel Guze, M.D., Department of Psychiatry, Washington University School of Medicine

Richard Jessor, Ph.D., Institute of Behavioral Science, University of Colorado

Michael J. Lewis, Ph.D., Department of Psychology, Howard University

Steven Schenker, M.D., Department of Medicine, Gastroenterology, and Nutrition, University of Texas Health Science Center

Robert Straus, Ph.D., Department of Behavioral Science, College of Medicine, University of Kentucky

Boris Tabakoff, Ph.D., Department of Physiology and Biophysics, Medical Center, University of Illinois

Bert L. Vallee, M.D., Center for Biochemical and Biophysical Science and Medicine, Harvard Medical School

Table 4. Summary IOM Recommendations, 1980

Scientific Opportunities

Research on biochemical issues:

- Elucidation of the pathway(s) for alcohol metabolism, the physiologically significant consequences of its metabolism and possible genetic variation in the metabolism that help explain differential individual responses to alcohol.
- Development of more appropriate animal models, including primates and cell culture systems, to assess alcohol metabolism, intoxication, tolerance, dependency, and toxicity.

Research on neuropharmacological issues:

- Investigation of the effects on cell membranes of acute and chronic consumption of alcohol, including studies of fluidity, lipid and enzyme composition, and transmembrane ion distribution.
- Investigation of the effects of acute and chronic consumption of alcohol on the concentration, turnover, localization, and action of neurotransmitters, and on adaptive changes in neurotransmitter receptors that may ensue.

Research on clinical and epidemiologic issues:

- Exploration of the link between use of alcohol and occurrence of adverse consequences, through epidemiologic studies, of variables such as psychological and behavioral disorders; ethnicity, gender, and genetic endowment; and family characteristics.
- Studies of the natural history of alcohol-related diseases such as liver cirrhosis and pancreatitis.

Research on psychosocial issues:

- Assessment of the influence on levels of alcohol consumption (and severity of associated problems) of such variables as price, industry marketing practices, use or abuse of other drugs, general economic conditions, and changing social values and policies.
- Identification of situational factors that affect at-risk drinking, including family and work-related socialization and social supports.

Research on prevention:

- Studies directed to early identification of those at risk, including natural history studies, genetic studies, development of biochemical and psychological screening tests, and examination of individual coping mechanisms.
- Determination of elements of the environment, such as mass media, community programs, and school, work, and family structure, that deter or promote abuse of alcohol.

Research on treatment:

- Development of administrative structures and outcome criteria to allow efficacy studies that would elucidate effective combinations of patient characteristics and treatment settings, approaches, and goals.
- Assessment of factors such as employer policies, insurance coverage, and family attitudes, that may influence access to treatment programs.

Research on economic costs:

- Improvement of methodology to assess societal costs imposed by alcoholism and alcohol abuse.
- Studies of the fiscal relationships between the alcohol beverage industry and Federal, State, and local governments.

Other Recommendations

- There should be a substantially greater investment in alcohol research, with individual investigator-initiated grants (RO1) having highest priority for additional support.
- Some of the additional funding should be used to put the existing alcohol research centers on a more secure and stable footing, to allow them to realize their full potential. Furthermore, committed funding for the centers should be for longer intervals than 1 year--perhaps 5 years.
- Also called for is an increased intramural effort with the programs targeted toward specific objectives not readily met by other approaches, such as epidemiologic, prevention, and treatment research programs.
- Substantial sums should be allocated for research in treatment modalities, perhaps as part of an expanded intramural program.
- A scientific advisory group should be formed to assist in providing scientific advice and guidance to the Director of NIAAA.

STATEMENT OF SAMUEL B. GUZE, PROFESSOR OF PSYCHIATRY, DEPARTMENT OF PSYCHIATRY, WASHINGTON UNIVERSITY SCHOOL OF MEDICINE

My name is Samuel B. Guze. I am Professor of Psychiatry and Head of the Department of Psychiatry at Washington University School of Medicine in Saint Louis, Missouri and Psychiatrist-in-Chief at Barnes and Renard Hospitals in the Washington University Medical Center.

I am also Principal Investigator of one of the National Alcoholism Research Centers supported by the National Institute of Alcohol Abuse and Alcoholism. I have been involved in alcoholism-related research for over twenty years, and I have served on the initial review committee of the Center for Alcoholism Studies of the National Institute of Mental Health, the forerunner of the NIAAA, and on the National Advisory Alcoholism Council of NIAAA.

"He who knows alcoholism, knows medicine" is an appropriate rewording of the famous aphorism about syphilis formulated by William Osler, one of the leading physicians of his time and a major figure in the early years of the Johns Hopkins University School of Medicine. At the time, syphilis was very common but not easily treated, and it often affected nearly every function of the body, so that physicians had to consider it in all sorts of clinical conditions. The intent of the saying was to summarize pithily the fact that understanding the full ramifications of syphilis meant that physicians had to learn about a great many other diseases as well.

Alcoholism, too, can involve the entire body in its harmful effects. Alcohol abuse can produce disorders of the brain, spinal cord, peripheral nerves, heart, liver, pancreas, stomach, muscles, endocrine glands, and sexual organs. Alcohol abuse can mimic or complicate nearly all psychiatric disorders. In addition, alcoholism is a major factor in suicide, homicide, accidents of all kinds, child abuse, spouse abuse, incest, divorce, and inefficiency in the workplace. In brief, alcoholism and alcohol abuse represent one of our country's major public health problems. And, like all such problems, hope for significant progress can be based only upon a long-term, broad-ranging research effort that, in time, might make it possible for alcoholism to become a much less serious problem.

One of the disappointing features in the history of support for such research has been its unsteadiness and inconsistency. In the last two years, however, this has apparently changed, as reflected in the budgets of the NIAAA. The next budget for the institute will, therefore, be crucial. The scientific programs supported by the NIAAA have been encouraged once again to think that alcoholism-related research will receive appropriate recognition in the form of budget increases that permit vitally needed growth. Equally important, new investigators who have been encouraged to enter the field have been persuaded that it will continue to be an area of genuine scientific opportunity. If these expectations are unfulfilled, it will be very difficult to neutralize the long-term effects of the disappointment.

Alcoholism is still not regarded by everyone as a legitimate area for research. Some believe that the problem is one of morals or willpower. Many of those who adhere to such views think that we already know what the problem is and that what is needed is the application of already understood principles of religion or ethics. Others who claim to believe in the disease concept of alcoholism do not see the need for research either, because they think that the matter can be adequately dealt with by education and better laws. Still others understandably continue to be resentful that for so long the medical profession failed to meet its responsibilities in this important health area, and these people are not yet ready to accept a new biomedical emphasis in dealing with alcoholism.

Yet, research is truly our only responsible answer. If we make the commitment and support the research, success of course cannot be guaranteed, but if the commitment is not made, failure to solve the many problems associated with alcoholism is guaranteed.

By any standard that one might use - whether the percent of tax revenues derived from the sale of alcoholic beverages spent on alcoholism-related research, the number of dollars spent on such research in relation to the estimated annual cost to the nation of alcohol related problems, or the research expenditures per case of alcoholism compared to comparable expenditures for each case of cancer or of heart disease - the nation's expenditure for alcoholism-related research is very low.

At the present time, less than one-half of one percent of tax revenues derived from the production and sale of alcohol is spent on alcoholism-related research. Only about one-tenth of one percent of the estimated annual cost of alcoholism in the United States is spent on such research. And these annual research expenditures per case of alcoholism represent only a tiny fraction of the annual research expenditures per case of cancer or heart disease.

Documented research opportunities (Alcoholism and Related Problems: Opportunities for Research, Institute of Medicine, National Academy of Sciences, Washington, D.C., 1980) indicate that the NIAAA budget should easily be twice what it now is. To accomplish this, and correct for continued projected inflation, the Institute's budget needs to be increased by 25 percent a year for each of the next five years. While the percentages may seem high, the actual dollars are not. To double the current NIAAA budget would require only about another $40 million.

What justification can there be for urging increased expenditures for research when the federal budget deficit is so high? There is really only one valid reason for doing so. Research offers the only possibility for reducing the enormous burdens of illness, including those associated with the financial costs. Congress and the American people have clearly understood this with regard to general medical illnesses and the research designed to deal with them. But the same kind of recognition is now called for with regard to mental illness, drug dependence, and alcoholism. These major and all too frequent conditions produce extensive suffering, disability, and death. There is every reason to believe that they can be attacked in the very same way that is being applied to general medical disorders. What is more, these disorders affect every level of our society. No class, race, sex, or cultural group is spared. Thus, every segment of our society will benefit from the research. Wisdom clearly dictates that, no matter how tight the times, our national policy must include a reasonable investment in research and education. They are truly the seed corn for our future.

STATEMENT OF DR. FLOYD E. BLOOM, ALCOHOL RESEARCH CENTER DIRECTOR, SCRIPPS CLINIC AND RESEARCH FOUNDATION

Mr. Chairman: It is a pleasure to submit my written testimony for consideration by the United States Senate Labor-HHS Sub-Committee on Appropriations and speak in support for the full research budget requested for the National Institute on Alcohol Abuse and Alcoholism in FY 1985. I speak from the perspective of an active medical researcher in the field of alcoholism, and as a Member of the Institute of Medicine Panel that reported on the Opportunities in Alcoholism Research, as well as being a Member of the National Academy of Sciences.

Four years ago our IOM Panel highlighted the magnitude of the burden of alcoholism on our national economy and on the health of our citizens. We emphasized that research on alcoholism and alcohol abuse was grossly underfunded in relationship to these costs, and also in relationship to other areas of bio-medical research, and we provided a survey of important major opportunities that were ready for extension and scientific investigation to help find solutions to the the problems of alcoholism.

Since that time, Congress has provided a major spurt of research support funds, which have almost doubled the base level, but which still amounts to the smallest research effort of any of the categorical Disease directed Institutes in the NIH/ADAMHA agency of HHS. Although there has been a important improvement in both the quality and quantity of researchers involved in alcohol related research, largely through the National Alcohol Research Centers Program, both that program, the extramural grants program and the NIAAA Intramural Research Program still have important areas of opportunity which remain either underfunded or underutilized. Many of my fellow researchers feel that there remain important opportunities ready for further productive pursuit to the benefit of the victims of alcoholism which would warrant an important increase in the NIAAA research budget.

Many of the issues ready for exploitation today were barely visible when the IOM report was presented to Congress. In a meeting of researchers late last summer, several important open opportunities were listed for Dr. Mayer, then Administrator of ADAMHA and Acting Director of the NIAAA. Hopefully, these ideas will soon be re-examined by Dr Niven, the new Director of the NIAAA and by whomever is eventually appointed to become Administrator of ADAMHA.

High on the list of these important open opportunities are the strong and continuing indications that susceptibility to becoming an alcoholic can be strongly influenced by inheritable factors. Not only does alcoholism tend to run strongly within families as judged by pedigree and adoption studies. There are also indications that biochemical and electrophysiological tests may soon provide insight into tests which can predict which family members of an alcoholic may have inherited the alcoholism susceptibility. In addition, work on the toxic effects wrought by alcohol exposure by maternal consumption of alcoholic beverages during pregnancy have indicated the severity of this the only known form of preventable mental retardation.

Knowing the severe time demands placed on the Committee's deliberations, I shall not extend my testimony. However, if there are any specific questions that I or my staff may be able to answer we should be pleased to do so. I regret that research commitments prevented me from testifying in person this year.

STATEMENT OF THE NATIONAL COUNCIL ON ALCOHOLISM

The National Council on Alcoholism is pleased to have the opportunity to express our views on funding for the federal alcoholism effort during the fiscal year beginning October 1, 1984.

NCA, with more than 200 affiliates in communities across the nation, is the oldest and largest association of volunteers in the field of alcoholism. We are firmly committed to the proposition that the problem of alcoholism and alcohol abuse is of such sweeping dimensions that it constitutes a major public health threat and as such demands the application of public funds for research, prevention and treatment. However, NCA itself does not accept government funds, relying solely on contributions from the private sector.

Since its inception with the mandate of the Hughes Act, NIAAA has acted as a focal point and policy voice for federal efforts to understand alcoholism and alcohol abuse and its impact on individuals and families. NIAAA is the primary funding resource for research initiatives to determine the causes of this deadly illness, to evaluate modalities of treatment for effectiveness in addressing the needs of various populations, and to pursue avenues of investigation which may contribute to a comprehensive approach for prevention of alcoholism and other alcohol-related problems.

That research can contribute to a reduction in the costs of alcoholism and other alcohol problems -- estimated by the Office of Technology Assessment to approach some $120 billion a year -- was one of the conclusions of the 1980 report on alcoholism research by the Institute of Medicine of the National Academy of Sciences. Declaring that alcoholism research was grossly underfunded in relation to research in other health areas, the IoM recommended that funding of the research program of the National Institute on Alcohol Abuse and Alcoholism be increased by 50 percent annually over a three-year period. Several weeks ago, a collective meeting of alcoholism professionals, physicians, attorneys and government officials held under the auspices of the American Assembly of Columbia University recognized the critical role of NIAAA in forging a comprehensive and effective policy to combat alcoholism and alcohol-related problems. That distinguished body further acknowledged that the successes of prevention and treatment initiatives are inextricably related to the strength and effectiveness of the research on which the efforts are based. In this regard, the final recommendations of the Assembly call for a doubling of the NIAAA research budget as soon as possible, with steady increases available thereafter.

The Administration's request for NIAAA next fiscal year of $47,835,000, which is reflected in the Senate reauthorization bill under consideration offers a slim $5 million increase over current funding. In our view, this figure represents the minimum level necessary to maintain current initiatives with some small opportunity for expansion in some areas. NCA is especially supportive of the current high priorities NIAAA is placing on prevention and treatment assessment research, both of which we believe can furnish rewarding avenues of investigation. Treatment and treatment assessment research is increasingly important in light of emerging issues surrounding third-party reimbursement, both private and public. In addition, such research can offer an invaluable contribution to states who now bear the major responsibility for implementing a high quality and cost-effective service delivery system. Prevention research also represents an area worthy of expanded attention, focusing as it does on strategies to curb the wide range of negative consequences of alcohol use, using the public health model as an informing perspective. We were delighted to see NIAAA's funding support for a Prevention Research Center and hope that the small increases in NIAAA's research resources will be reflected in continuing and enhanced attention to treatment, treatment assessment and prevention research. NCA also supports increased funding of traditional biomedical and psychosocial studies, which -- as nurtured by NIAAA over the past 13 years -- have earned the field of alcohol studies a well-deserved reputation for excellence on a parity with older, more established scientific fields. We urge the Committee to support the NIAAA research effort at its full authorization level so that high quality research from a wide variety of scientific perspectives can continue the important work of unraveling the mysteries of this complex, but deadly illness.

NCA urges the Subcommittee to consider increased funding for NIAAA's research training program, for which the Administration requested only $1,086,000 for the next fiscal year. This important program has been level funded for the past three years, resulting in a marked reduction in support for research investigators. The 1983 report of the NIAAA Research Planning Panel highlighted deficiencies in NIAAA's research training program resulting from inadequate funding levels, with a particular impact on such relatively new alcohol research disciplines as prevention. The research community at large, particularly those individuals traditionally underrepresented including women and minorities, need to know that there is stability and growth in this field to make alcohol-related research a viable career goal.

At the same time, we favor reinstatement of the clinical training program at NIAAA, urging that at a minimum sufficient funds be made available for continuing the Career Teachers program designed to create a focus on alcoholism in the nation's medical schools. NCA is disappointed that last year Congress saw fit to grant NIMH almost $21 million for clinical training, while honoring the Administration's request to zero fund clinical training for the comparatively fledging fields of alcoholism and drug abuse. The demand for faculty with expertise in this young rapidly growing field is pressing not only in the fields of medicine and nursing, but across the gamut of the health and social service professions. There is also an urgent need to assist the growth and development of the rank and file workers of this field -- the certified alcoholism counselor -- through federal support for the dissemination and implementation of nationally recognized standards and procedures for the credentialing of alcoholism counselors.

NCA strongly supports full appropriations for two new authorization items contained in the Senate reauthorization bill currently under consideration. We applaud the inclusion of a $1 million authorization to support research which investigates the special relation of women to alcohol. Alcoholism has traditionally been perceived as a male problem and standard teaching about alcoholism has been based on research done on males. We are beginning to understand that women differ in their relationship to alcohol, historically, sociologically, psychologically, and even in their physiological handling of alcohol as a drug. Research is urgently needed to clarify the nature of these differences and to assess their ramifications for prevention and treatment strategies for women. Secondly, we urge the Subcommittee to fully appropriate the $10 million authorization for demonstrations contained in the Senate bill. The enormous task of administering an adequate and quality service delivery system has left the states with few if any additional resources to improve upon or experiment with innovative and challenging new programs in the prevention and treatment areas. Federal support for demonstration projects is not only, in our view, an appropriate federal role, but also an integral component for the building of a strong federal-state partnership and can represent a key form of technical assistance rendered to the states.

Under the Administration's request, NIAAA would receive only $11,550,000 for direct operations next year. This item provides support not only for standard administrative activities, but for a range of important functions not encompassed under the research authorities. The scant $105,000 increase over current funding translates into an actual reduction in staff and undoubtably a reduction in critical services provided by the Institute including research dissemination, policy analysis, technical assistance, public education and prevention activities. NCA encourages an increased appropriation to accommodate an expansion of these activities to address the increasing interest of the scientific and treatment communities, and the public at large for information about the ongoing work of NIAAA.

Finally, NCA joins with other organizations in the alcoholism, drug abuse and mental health fields to urge full appropriations of the $492 million figure for the alcohol, drug abuse and mental health services (ADMS) block grant contained in the Senate reauthorization bill. We consider this funding level to be barely adequate to address the needs of the network of the treatment services now severely overtaxed by increased client loads at a time when state and local resources are shrinking. We would also like to reiterate our belief that the ADMS Block Grant is most appropriately administered by the Alcohol, Drug Abuse and Mental Health Administration (ADAMHA) where the personnel are knowledgeable about the program areas of the ADMS block and can ensure efficiency in the distribution of the funds and offer expert technical assistance to the states.

NCA continues to be convinced that nothing short of aggressive federal leadership is necessary to ameliorate the problems of alcoholism and alcohol abuse in our nation. The federal mission to combat alcoholism and alcohol abuse has its heart and soul in NIAAA. The Institute must continue to grow if it is to remain viable as a reservoir of national research, the focal point for federal policy on alcohol problems, and a resource accessible to all Americans who seek information about this deadly, but treatable illness.

STATEMENT OF DR. TING-KAI LI, PROFESSOR OF MEDICINE AND BIOCHEMISTRY, INDIANA UNIVERSITY SCHOOL OF MEDICINE

I am Ting-Kai Li, M.D., Professor of Medicine and Biochemistry at the Indiana University School of Medicine. I have been active in the alcoholism research field for over twenty years. I had served a four-year term as member and Chairman of the Alcohol-Biomedical Research Initial Review Group of the National Institute on Alcohol Abuse and Alcoholism (NIAAA) in the past, and presently am a private-citizen member of the National Advisory Council on Alcohol Abuse and Alcoholism. I also served as Co-Chairman of the 1983 NIAAA Research Planning Panel. I feel, therefore, that I am well qualified to speak on matters pertaining to the research needs and opportunities of the field, the funding for which comes primarily from NIAAA.

As you all know, the burden of illness from alcohol abuse and alcoholism is immense, yet the federal dollars given to research in the area is miniscule. In FY 1984, the NIAAA research budget is only 1.3% of the total appropriated for NIH and ADAMHA. That for Cancer is 24.6% and that for Heart, Lung and Blood, 15.8%. The research dollars given to the Dental Institute even exceeds that for NIAAA by 55%: As pointed out in the 1980 study by the Institute of Medicine on "Alcoholism, Alcohol Abuse, and Related Problems", many research opportunities exist, and research activities and funding need to be increased urgently.

The problem with alcoholism-related research in the past has been the lack of a biological "handle". The disorder was thought to be uniquely human and environmentally produced. However, research in the past decade, especially that within the past 4-5 years, has produced a radical shift in the conception of alcoholism held by the scientific research community, by clinicians interested in treating alcohol problems, and by certain segments of the concerned public, e.g. the Children of Alcoholics Foundation. Among the major research advances that have produced this change are:

1) The discovery of genetic predisposition to problem drinking and alcoholism in at least 40% of afflicted individuals.
2) The discovery that genetic predisposition and environmental factors can interact to affect severity of the disorder.
3) The demonstration that children of alcoholics differ from children of nonalcoholics in neurophysiological and neuropsychological testing, both with and without a test dose of alcohol.
4) The finding that there is tremendous between-individual differences of genetic and biological origin both in humans and experimental animals with regard to responses to alcohol, e.g., the amount of alcohol necessary to produce impairment of function, the ability to develop tolerance and physical dependence, and the rate of metabolism of alcohol.
5) The discovery that genetic differences in the enzymes of alcohol metabolism can affect drinking behavior and hence the development of alcoholism.
6) The development of animal models to study the biological basis of alcohol intoxication, tolerance, and dependence.
7) The development of animal models of alcoholism itself through genetic selection for unusually high alcohol-seeking behavior.

Accordingly, views of alcoholism as a symptom of psychological conflict or the result of a characteristic personality type have yield to more complex, but now experimentally approachable, formulations of interactions between inherited biochemical and physiological factors and exposure to alcohol, family environment and sociocultural influences.

At the clinical level, studies on children of alcoholics, a biologically predisposed, high-risk group, will become a high priority research goal. The aims are to find out if certain biochemical or physiological tests can identify the individuals most at risk. Such studies have tremendous importance and relevance to the development of future treatment and prevention strategies. At the laboratory level, studies using special animal models, e.g. alcohol-preferring lines of rats and mice, become prevailing. These will explore the biochemical and physiological basis of intoxication, tolerance, and physical dependence and discern why alcohol is rewarding to certain animals and not to others. Such studies will provide not only understanding of the biology of alcoholism but also rational approaches to find therapeutic compounds. For example, the alcohol-preferring rat model shows deficiency in one of the brain monoamine neurotransmitter substances (serotonin). Drugs that elevate this substance in brain are being tested in this animal model to see if they will curtail the animals' desire for drinking. Preliminary data indicate that they will.

There are many other, exciting recent advances. For example, the enzymes of alcohol metabolism in human liver have now been purified and characterized. Attempts at cloning the genes of these enzymes and at identifying how these genes are regulated have begun. All of these advances promise rapid gains in our understanding of the biology of alcoholism in the near future, and a sustained increase in research funding is needed. Otherwise, the momentum and excitement in the field that has recently developed will slacken.

In response to the recommendations of the Institute of Medicine Report of 1980 that "research funding should be increased 50% in each of the next three years," the NIAAA research budget was increased in FY 1983 from $23.3 to $33.0 million. For FY 1984, the President's request was $48 million, but the House Subcommittee on Appropriations had concerns about whether there would be enough high-quality applications to meet this continued expansion. The Senate Subcommittee was, however, more favorably inclined. The final appropriation was $42.9 million for FY 1984. The concern about quality has proven to be unfounded. NIAAA has for several years funded a substantially lower percentage of approved applications than NIH and its sister Institutes in ADAMHA. This is still the case. For this year, it is funding only 28% of all approved applications, whereas NIH and other ADAMHA Institutes fund at least 39% of all approved grants. The 90% payline is currently a priority score of 180. Therefore, an increase in high-quality applications has kept up with the increase in funding level. There is very little reason to believe that this will not continue, because more and more researchers who have not worked in the area are entering it. A case in point is a molecular biologist at my Institution who has applied to isolate the mouse and human genes of alcohol dehydrogenase. I see from review of the summary statements at the National Advisory Council meetings that this is occurring at other Institutions as well.

The President's Request for FY 1985 contained a $5 million increment ($47.9 million) for alcohol research. This amount unfortunately will allow the funding of only the same number of new/competing regular research grant. If it is the intent of Congress that high quality research on alcoholism and related problems should continue to grow, an increase beyond the President's Request is needed. To bring the percent funding of approved applications by NIAAA up to that of NIH and the other ADAMHA Institutes, NIAAA should be funding another 35-40 new grants next year. This would require an additional $4.5-5 million. This is less than the amount cut from the President's Request in FY 1984 by Congress. Another $1.0 million is needed to fund the nine Alcohol Research Centers at the full Council-approved level.

Another area of grave concern is support of research training. This is the life-line of the future. Support for research training has not grown for years. Because costs have risen, the number of trainees have steadily declined. NIAAA currently supports less than 60 trainees. I did an analysis for NIAAA recently and it became evident that a 4-fold increase is needed for the future. This would be an additional 180 trainees and $3.5 million. This would bring the training component to equal 7% of NIAAA's total research expenditures. This is the same percentage as NIH, ADAMHA and HRSA.

I respectfully request that the Senate Subcommittee on Appropriations consider offering an amendment to the NIAAA component of the ADAMHA budget for FY 1985 to include an additional $10 million for research and research training. This is urgently needed for the continued growth that Congress and the Administration deemed necessary two years ago. The research field has responded to the challenge and the momentum should not be allowed to dissipate.

Thank you,

STATEMENT OF RUTH M. BERKEY, ASSISTANT EXECUTIVE DIRECTOR, NATIONAL COLLEGIATE ATHLETIC ASSOCIATION, ON BEHALF OF THE NATIONAL YOUTH SPORTS PROGRAM

PREPARED STATEMENT

Senator WEICKER. The next witness is Ruth Berkey, Assistant executive director of the National Collegiate Athletic Society.

[The statement follows:]

STATEMENT OF RUTH M. BERKEY

Mr. Chairman and members of the Subcommittee, I am Ruth M. Berkey, National Youth Sports Program National Program Director and an Assistant Executive Director of the National Collegiate Athletic Association. Thank you for the opportunity to speak in support of an appropriation of $6 million for the 1985 NYSP.

The need for the NYSP continues because of the persistence of rural and urban poverty. During the long, hot summer the NYSP gives thousands of disadvantaged boys and girls a chance to participate in organized athletic and education activities in the setting of a nearby college campus. We believe that the NYSP enriches the lives of the young participants by providing the kinds of opportunities you and I desire for and can afford to give our own children. Through sports instruction and competition, young people learn about their human potential and, more importantly, through the educational component of the program, they learn about how to use that potential.

More than 125 colleges and universities nationwide open their doors each year to over 50,000 disadvantaged youths between 10 and 16 years old. The typical NYSP project serves about 420 youngsters, fairly evenly divided between boys and girls.

The highly trained staff at each project conducts a rigorous program of athletic training and competition in at least three major sports for each participant. All participants receive swimming lessons. Instruction from college and high school coaches and outstanding athletes is available in more than ten sports. The participant-staff ratio of about 19:1 ensures each youngster personal contact with people who can serve as positive role models. The result is an outstanding program of high quality sports instruction and competition.

The NYSP design philosophy recognizes that body and mind must be nurtured together -- thus, the enrichment component is extremely important to the overall program. Each participant receives at least three hours of counselling in drug and alcohol abuse prevention. In addition, participants are instructed in career opportunities and job responsibilities, personal health and nutritional practices and higher educational opportunities. Institutions are encouraged to offer additional enrichment programs; remedial reading and college SAT preparatory courses are two examples. The NYSP also draws upon the outstanding educational and cultural resources available on and near participating college campuses.

Each NYSP participant receives a free medical examination before being permitted to participate. In 1983, over 57,000 youths received physicals. Efforts are made to secure medical services at no or nominal cost to the program. Appropriate follow-up treatment is provided for all identified medical problems. In addition, each participant is covered by medical-dental insurance during the course of the project and is entitled to receive medical treatment for injuries and illnesses that occur during the project. All projects employ a trained medical coordinator to oversee medical services. Each participant also receives a daily U.S.D.A.-approved hot meal or snack. Eligible institutions receive U.S.D.A. assistance for this purpose.

NYSP funding comes from a unique blend of Federal, state, local and other sources. For the last several years the Federal appropriation has been $5.76 million, and there has been no increase in the level of Federal funding since 1976. Yet, with the combined voluntary efforts of the participating institutions, private business and the NCAA, NYSP participation has increased. At the same time, participating institutions have maintained or improved upon the already high quality of program services.

Voluntarism has been the key to the NYSP's success. All physical facilities and a project administrator are donated to the program by participating colleges and universities. In last summer's program, the 132 participating institutions provided equipment, facilities and services valued at more than $8 million. Businesses and state and local governments contributed an additional $2,467,233. For the 1984 program, the Spalding Corporation has agreed to make a substantial grant, to be used for the purchase of T-shirts for project participants, and to contribute basketballs for every project. At the national level, the NCAA has made increasing efforts to locate such business sponsors. Locally, many institutions receive support from area businesses in the form of grants, equipment and personal clothing, or project awards.

The NCAA voluntarily administers the NYSP. In 1983, the NCAA expended an estimated $267,000 of its own funds for NYSP management. We expect to spend the same amount in 1984. I serve as National Program Director with assistance from others on the NCAA staff. Policy decisions are made by the NYSP Committee, which is composed of five representatives from NCAA members or allied institutions and ex-officio members (currently three) representing the Federal government. Members of the Committee volunteer their services, as well. No part of the Federal grant funds is allocated to the NCAA or institutions for overhead.

We work each year to improve the program and its management. The 1984 NYSP will have behind it the NCAA's fifteen years of experience in NYSP administration and seventy-eight successful years of athletics administration. For 1984, the NYSP Committee has completely reviewed and revised the NYSP guidelines, operations manual and financial reporting system. The revised materials were distributed to NYSP project administrators and activities directors at the four regional training and technical assistance meetings held this spring.

All projects receive an annual review, which includes an on-site evaluation. Financial reporting is monitored with a program of sample auditing. Institutions in need of management help are provided on-site technical assistance. Institutions unable to meet the NYSP's high standards are culled-out and replaced by others better able to perform the work. NCAA member and allied institutions provide to the NYSP some of the finest athletic facilities in the world. We know of no other organization that can mobilize the quantity or quality of resources applied to this program.

A significant side benefit is the NYSP's contribution to better relations in the communities it serves. NYSP participants from the poor neighborhoods surrounding many of our urban universities make their first visit on campus as project enrollees. Many later attend those same institutions. And, at the culmination of each project, parents are invited to an awards ceremony featuring their proud youngsters. Local community groups, such as community action agencies, are invited to participate in recruitment and selection of project enrollees. Moreover, the NYSP provides summer employment for many residents of poverty target areas. Thus, in a highly visible way, the institutions sponsoring NYSP projects are able to give something to their communities.

The NYSP's major purpose, however, is to motivate and teach young people to reach for and to achieve high goals. Team sports teach discipline and help to satisfy the urge for belonging of all youths. Active participation helps them to turn away from destructive behavior patterns and to concentrate their energies on constructive efforts. By teaching and reinforcing traditional values and skills the NYSP aims to build self-esteem and promote the overall development of each participant.

We are all acquainted with the severe budgetary pressures faced by every segment of society. Many programs formerly available for young people in summer months have been reduced in scope or have disappeared entirely. The need for effective programs thus increases each year.

In the past, Congress has been generous with assistance to this program. On behalf of those who have benefited from that generosity and on behalf of the NCAA, I extend our sincere thanks and ask that you once again recommend an appropriation of $6 million for the National Youth Sports Program.

NATIONAL YOUTH SPORTS PROGRAM

FACT SHEET - 1983

PROGRAM CONCEPT

The National Youth Sports Program annually provides approximately 50,000 disadvantaged youths, ages 10-18 (10-16 beginning in 1982), a unique opportunity to benefit from resources made available by local colleges and universities. In 1983, with a $5.76 million grant from the Office of Community Services and more than $10 million in contributions from other sources, the National Collegiate Athletic Association and 132 selected institutions of higher education carried out the program's fifteenth successful year.

The NYSP is an instructional program for disadvantaged boys and girls. The program uses sports instruction and competition as a vehicle for motivating young people from poverty areas to earn and learn self-respect. The program provides participants with instruction in career and educational opportunities and exposure to the college environment. Each participant receives a free medical examination, and follow-up, if necessary. Each participant daily receives a free U.S.D.A.-approved meal (at institutions eligible for U.S.D.A. assistance) or a free snack (at private institutions ineligible for U.S.D.A. assistance). The aim of the NYSP is to help disadvantaged youths learn to "walk tall -- talk tall -- stand tall."

PROGRAM STATISTICS FOR 1983

Number of participants	55,780
Number of medical examinations	57,554
Percentage of participants by sex	56% boys -- 44% girls
Number of participating institutions	132
Number of states	40
Number of cities	112
Number of free meals or snacks provided	1,095,575
Number of professional staff employed	1,157
Number of project aides	1,368
Number of supporting personnel	1,181
Participant/staff ratio (approximate)	19/1
Cost covered by OCS grant	$5,760,000
Institutional contribution	$8,370,000
Other contribution (business, local and state government)	$2,467,233
NCAA contribution (estimated)*	$ 267,083
U.S.D.A. contribution**	$1,464,136.33

PROGRAM OBJECTIVES

1. To expand opportunities for disadvantaged youths to benefit from sports skills instruction, engage in sports competition and improve their physical fitness.
2. To help young people acquire good health practices, to help them become better citizens and to acquaint them with career and educational opportunities by utilizing the personnel and facilities of institutions of higher education.
3. To enable the institutions and their personnel to participate more fully in community life and in the solution of community problems.
4. To provide a combination of employment and on-the-job training in sports instruction and administration.

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* Not including value of national television promotionals.

** 105 of the 132 institutions participating in the 1983 NYSP received partial or total reimbursement from U.S.D.A.

5. To serve disadvantaged areas in the major metropolitan centers of the United States and other areas of need, within the limits of program resources.

PROGRAM FEATURES AND ACCOMPLISHMENTS FOR 1983

1. Served approximately 55,000 youths, over 90 percent of whom met federal poverty guidelines, thus achieving major objective of serving the poor.

2. Provided a free, U.S.D.A.-approved meal (at institutions eligible for U.S.D.A. assistance) or a U.S.D.A.-approved snack (at private institutions eligible for U.S.D.A. assistance) daily for each participant. In 1983, served more than 1,000,000 meals or snacks.

3. Provided a free medical examination, and follow-up where appropriate, for 57,554 youths.

4. Provided disadvantaged youths an introduction to the higher education community. Boys and girls who otherwise might never have contact with a college or university were welcomed on campus and given exposure to the benefits available. Many participants later attend college, in some instances receiving help through valuable contacts gained while in the NYSP.

5. Provided instruction in competitive and lifetime sports by college and high school coaches and outstanding athletes. Provided instruction in swimming for each participant. Over 55,000 disadvantaged young people received the benefits of organized sports training, instruction and competition.

6. Provided instruction in personal health care, career and educational opportunities, and drug abuse prevention.

7. Provided medical and dental insurance for all participants in the program.

8. Mobilized over $8 million in matching contributions from participating institutions.

9. Mobilized over $2 million in contributions from businesses and state and local governments.

10. Performed all of the above at little administrative cost to the federal government. Paid less than two percent of federal funding for administrative expenses. Nearly all administrative costs were paid by the National Collegiate Athletic Association and participating institutions.

11. NYSP projects were planned and developed through NYSP local advisory committees, composed in part of leaders and members of the local poverty community.

12. Continued to evaluate and refine the program.

13. Continued programs for handicapped youth.

PROGRAM STATISTICS: 1969-1983

Number of participants	626,616
Federal funding	$68,383,000.00
Nonfederal contribution	$83,996,695.00
Number of jobs created	51,612
Number of positions filled by residents of poverty target areas	35,995
NCAA contribution	$1,088,168.00
U.S.D.A. contribution	$9,951,710.93

Mrs. BERKEY. Good morning.

Senator WEICKER. Good morning. Go right ahead.

Mrs. BERKEY. Thank you, Senator Weicker. I come before you to speak on the National Youth Sports Program, commonly known as NYSP. I am Ruth Berkey, assistant executive director and assistant executive director of the National Collegiate Athletic Association. I have a prepared statement, which I would like to be asked to be placed in the record.

I do not intend to repeat myself, but I would like to speak briefly as to the values that are associated with this very worthwhile program.

For the past 15 years NYSP has offered opportunities for young people who have come from economically disadvantaged families to provide them sports skill instruction and to encourage them to speak for themselves to become a part of the society in a better way.

We believe that the competition and instruction and the skill and instruction that they receive from NYPS helps them in this regard and was not a sports play day, it has provided over 10 sports for skill testing and fitness testing. One common factor is that all institutions must provide swimming as an activity for these young people.

Our student-staff ratio has been between the ratio of 15 to 1 to 20 to 1, and I believe one of the unique opportunities that youngsters receive through the NYSP is the segment which we call the Enrichment Program. This is instruction in the prevention of drug and alcohol abuse and instruction in nutrition and health care opportunities for career job possibilities for the future and setting their sights for attending a college or a university in the future, something they might not have the opportunity to do if they were not associated with the program.

The program has a unique blend of support through private and Federal support. I would like to emphasize that the NCAA has been very active and has contributed significant dollars over the last 15 years. In 1983, the NCAA supported the program for $267,000. We've received over $2 million in private dollars through each of the colleges and universities that offer the program. Spaulding Corp., will be contributing $100,000 for 1984, as a part of a 3-year commitment for the total program to provide T-shirts and basketballs to each of the colleges and universities who participate.

Each participant receives a free medical examination. They receive followup medical examinations, if problems exist. They receive free medical and dental insurance during the time that the project is in operation.

The NCAA has continued to monitor the problem and to work with each project to improve the project, to encourage the universities and colleges to do better things and to provide better goals for each youngster. We have revised materials during 1983. We conduct regional workshops during each of these years. We provide a team of evaluators who go to individual campuses and we've increased our staff at the national office to work with the program.

Colleges and universities must provide matching funds for 20 percent of their grant. They generally serve between 400 and 500 young people on the campus between 5 and 6 week programs. Colleges also go out in the communities to receive private and corporate funding, as they believe the interest to serve those children within their communities and make sure that their well-being within the college campus is preserved.

We believe there is a continued need for appropriation at the time. Between January and March of this year, we had 68 universities approach us as possible new projects within the NYSP.

The money for this program has not increased over the last 7 years; however, we have continued each year to serve additional young people. Our instructors are highly qualified. They are hired from the target area. And as you may know, each of the individual participants of the program, 90 percent must be qualified by the poverty guidelines within specified—as specified by the Office of Community Services.

We believe the program is highly worthwhile. We believe it has stood the test of time, and we believe that there are many young people in the college and the community who have experienced this program and have risen to greater heights because of their experience and exposure to the National Youth Sports Program.

I would highly recommend that you continue to fund it. We have been appreciate—the NCAA has been appreciative of the Federal Government's support. We continue to appreciate the work that has been done by your committee. And we continue to tell you that we have continuing interest in seeing this program funded and hope you'll do this in 1985.

Senator WEICKER. Thank you very much. We appreciate your testimony.

STATEMENT OF FAYE WATTLETON, PRESIDENT, PLANNED PARENTHOOD FEDERATION OF AMERICA, INC.

PREPARED STATEMENT

Senator WEICKER. Next will be Faye Wattleton, the president of Planned Parenthood Federation of America.

Good morning, Faye. I gather you had a little plane problem.

Ms. WATTLETON. Yes, just a little; a backup of about 20 minutes.

Senator WEICKER. Good to see you again.

Ms. WATTLETON. Thank you. It's good to be here. Dragging a cast around also makes it a little complicated.

[The statement follows:]

STATEMENT OF FAYE WATTLETON

Introduction

I am Faye Wattleton, President of the Planned Parenthood Federation of America (PPFA). On behalf of the more than 18,000 volunteers and staff who run our 191 affiliates in 43 states, the 300,000 individuals who contribute to our organization, and most importantly, the nearly two million women and men who are served by our clinics each year, I want to thank you and this subcommittee for the opportunity to present our views on the need to strengthen the national family planning program through increased services as well as research in contraceptive technology, human reproduction and population development.

As you know, Title X of the Public Health Service Act is the core of the national clinic program providing subsidized, voluntary family planning services to low-income women and teenagers. Even though this administration is once again seeking Title X's repeal for FY 1985 in favor of a primary care block grant, we are confident that Congress will continue its long-standing, bipartisan commitment to family planning this year and reauthorize the Title X program in its basic current form. Last year, the Congress approved this subcommittee's recommendation that Title X funding be increased -- the first increase in three years -- and that the Department of Health and Human Services (DHHS) return the administration of Title X to the Health Resources and Services Administration, from which it was suddenly transferred by DHHS for clearly political reasons. Unfortunately, the will of your subcommittee and of the Congress has been thwarted on both fronts. DHHS chose to set aside one-third of the Title X appropriations increase to so-called special projects. And the department has chosen to defy your directive regarding the Office for Family Planning. In the meantime the very real demand for subsidized family planning services has risen around the country, notwithstanding the program's politics here in Washington. Because of Title X's record of accomplishment and the tremendous need for its services, Mr. Chairman, we are requestingthat you increase Title X again this year, and that you make more explicit and unavoidable this year your directions to DHHS on program management and the intended purpose for the appropriations.

We also need to focus on new ways to facilitate utilization of services. Of the 36 million American women who are sexually active and seeking to avoid pregnancy, three million are not using contraception, and another three million are using the least effective methods. The most common reason cited for using no method is the fear of possible side effects. Recent research results continue to offer reassurance that some methods, such as the pill and sterilization, are safer than was originally thought. It is critical that further studies be pursued to identify those specific risk factors that do exist. At the same time, intensified research into developing new or improved methods of contraception could enhance the possibility of lowering the staggering 55 percent incidence of unintended pregnancy in this country today. We therefore urge this subcommittee to increase the support for human reproduction and population research, specifically authorized under Title X and section 301 of the Public Health Services Act, and to place particular emphasis on contraceptive technology.

Family Planning Services

Mr. Chairman, I believe the accomplishments of Title X are well known. In 1981 alone, it is estimated that approximately 800,000 unintended pregnancies -- 425,000 among teenagers -- were averted as a direct result of the national family planning program. If these pregnancies had occurred, there would have been about 433,000 more abortions that year. In addition to providing basic contraceptive services (which includes natural family planning), Title X clinics also offer a complete health screening assessment and either simple treatments or referral for anemia, hypertension, cervical and breast cancer, sexually transmitted diseases, kidney dysfunction and diabetes. Some family planning clinics also provide the additional services of prenatal care, infertility diagnosis and treatment and voluntary sterilization. As DHHS Secretary Margaret Heckler recently testified, "family planning is a vital health care program for women in this country" as it is often the first place women -- and especially teenagers -- receive formal medical care. As you know Mr. Chairman, these services are made available at a tremendous cost-savings to the government. Each dollar invested in family planning yields a two to three dollar savings the very next year in health and welfare costs associated with pregnancy and childbirth, to say nothing of the social costs that usually accompany the arrival of an unwanted child.

Today, there are 9.5 million poor women and five million teenagers at risk of unintended pregnancy. This represents a dramatic 30 percent rise in the total population in need of subsidized family planning serivces. This is a direct result of the steep increase in the proportion of women who are poor. In 1981 the national organized clinic system made services available to 4.6 million women, 1.5 million of whom were teenagers. Eighty percent were low-income. Title X continues to be the single largest source of funds supporting this network, comprising 36 percent of the total federal and state expenditures. Primarily through the help of Medicaid or other special arrangements, an additional 3.2 million were able to visit private physicians. The rest were left without care.

The effects of the 22 percent reduction in Title X funding in FY 1982 have been severe. Straining to avoid turning patients away, clinics were forced to reduce the scope of their services, especially community outreach, male involvement activities and programs geared towards adolescents and their parents. The $16 million increase approved for Title X for the current fiscal year -- from $124 to $140 million -- could have helped alleviate the problem. Instead, DHHS is withholding $5 million for new projects determined by the Office of Population Affairs to be of "national priority." Such special initiatives are valuable, but should not be at the expense of basic, effective, contraceptive services. Some DHHS regions are actually receiving less in Title X project grant funds than in FY 1983, despite the overall 13 percent increase that Congress appropriated.

Moreover, DHHS has defied the clear intent of Congress as stated in the House and Senate Committee reports accompanying Public Law 98-139, directing the return of the Office for Family Planning to the Health Resources and Services Administration. We know from our own affiliates that family planning programs have been subject to undue federal mismanagement and political harassment since their abrupt transferral to the Office of the Assistant Secretary for Health in January 1983. We urge that their administration be returned to the professional management of the Public Health Service.

Research

Title X currently authorizes research in the reproductive sciences, social and behavioral studies, contraceptive development and contraceptive evaluation. The National Institute of Child Health and Human Development (NICHD) administers all these areas of research which are presently funded at $92 million. Perhaps part of the reason this area of study receives such a low priority at the National Institutes of Health (NIH) is that NIH is mainly disease oriented whereas this type of research is for the benefit of healthy people. The irony is that the strides made in this field directly touch the lives of virtually all Americans.

In the area of reproductive sciences, analogues to the hormone LHRH have been produced and are being examined for potential use as both contraceptives and treatment for infertility. Similarly, much of what we know today about the tremendous health, social and economic costs of adolescent pregnancy -- to the adolescents and their families as well as society as a whole -- has been generated by work in the social and behavioral research component. It is extremely important that greater financial support is given to all research in human reproduction and population.

We are especially concerned, however, about contraceptive research. There can never be a single perfect contraceptive, since individual personal circumstances change over a lifetime, as do family planning goals and attitudes. The acceptance of medical risk, the risk of pregnancy and degree of inconvenience will vary not only from one person to another but within the individual as she may proceed from wishing to avoid pregnancy to desiring to space the births of her children to wanting no more children. In spite of the clear and compelling interest in better contraception, federal support for development of new or improved methods and evaluation of current ones through NICHD has actually declined since FY 1981. Of the $92 million now spent for all work at NICHD's Center for Population Research, only $8.1 million goes toward contraceptive development and $3.1 million for evaluation. Just two years ago, the Office of Technology Assessment recommended an additional $20 million annually for federal funding in contraceptive technology, noting that available research opportunities are only waiting to be more fully exploited. We therefore strongly endorse a specific increase for contraceptive development and evaluation to pursue existing leads for new methods and provide reassurance about current ones.

Summary and Recommendations

For family planning services, PPFA requests $170 million in order to expand the program to serve approximately 769,000 more people. This appropriation would be only slightly more than the FY 1981 level, without adjusting for inflation, and is consistent with the funding authorization provided for in H.R. 5493, which extends Title X for three more years. We would suggest that funds appropriated for family planning services be targeted toward restoration of the basic contraceptive program and the training, information and education, service delivery improvement and evaluation activities necessary for effective program functioning.

Family Planning Services Funding History

PPFA recommends:	FY 85	$170 million
	FY 84	$140 million
	FY 83	$124 million
	FY 82	$124 million
	FY 81	$162 million

For population and human reproduction research, at NICHD the administration has requested $94 million for FY 1985, including $8.2 million for contraceptive development and $3.1 million for evaluation. We urge this subcommittee to elevate the importance and support of research in human reproduction and population by increasing its funding to $115 million. Additionally we recommend that the overall increase for research be used especially to increase funding for contraceptive development and evaluation.

Research Funding History

PPFA recommends:	FY 85	$115 million
	FY 84	$ 92 million
	FY 83	$ 86 million
	FY 82	$ 80 million
	FY 81	$ 77 million

Ms. WATTLETON. It's a pleasure to be with you again, Senator Weicker. On behalf of the more than 18,000 volunteers and staff who run our 191 affiliates in 43 States I want to thank you and the subcommittee for the opportunity to present our views on the needs that we see for strengthening the National Family Planning Program through increased services as well as research in contraceptive technology, human reproduction, and population development.

As you know, title X of the Public Health Service Act is the core of the National Clinic Program that provides subsidized voluntary family planning service to low-income women and teenagers. Even though this administration is once again seeking title X's repeal for fiscal year 1985 in favor of a primary care block grant, we are confident that Congress will continue its longstanding bipartisan commitment to family planning this year and reauthorize the title X program in its basic current form.

In the meantime, the very real demand for subsidized family planning services has risen around the country. Because of title X's record of accomplishment in the tremendous need for its services, Mr. Chairman, we are requesting that you increase title X this year and that you make more explicit and unavoidable this year your directions to DHHS on program management and the intended purpose of the appropriations.

I believe the accomplishments of title X are well known. In 1981, alone, it was estimated that about 800,000 unintended pregnancies were averted; 425,000 of them among teenagers. If these pregnancies had occurred there would have been 433,000 more abortions that year.

Today, there are 9.5 million poor women and 5 million teenagers at risk of unintended pregnancy. This represents a dramatic increase in the total population that is in need of subsidized family planning services.

In 1981, the national organized clinic system made services available to 4.6 million women. Eighty percent were low income. Title X continues, therefore, to be the single largest source of funds supporting this network comprising 36 percent of the total Federal and State expenditures. Medicaid and other private arrangements account for an additional $3.2 million and the rest are left without care.

The effects of the 22-percent reduction in title X funding in fiscal year 1982 have indeed been severe on family planning clinics. Straining to avoid turning patients away, clinics were forced to reduce the scope of their services, the availability of the time that clinics would be held. Programs for male involvement were reduced and a number of other efforts that had been made to reach people in need of these services had to be stopped.

The $16 million increase approved for title X for the current fiscal year, from $124 to $140 million, could have helped to alleviate these problems in program development. Instead, the Department is withholding $5 million for new projects determined by the Office of Population Affairs to be, and I quote, "national priority."

Such special initiatives are valuable, but should not be at the expense of basic effective contraceptive services, which is the fundamental intent of Congress. But the DHHS regions are actually receiving, some of them, less in title X funds grants in fiscal year 1983 despite the overall 13-percent increase that Congress appropriated.

For fiscal year 1985 we recommend that title X funding be made at $170 million to serve the approximately 769,000 more people who are in need.

Now, on to the question of research. Title X currently authorizes research in the reproductive sciences, social and behavioral studies, contraceptive development, and contraceptive evaluation.

The National Institute of Child Health and Human Development administers all of these areas of research which are presently funded at $92 million. Perhaps part of the reason this area of study received such a low priority at the NIH is that NIH is mainly concerned with disease-oriented areas.

The irony is that the strides made in this field directly touch the lives of some Americans, but the strides made in the area of contraceptive can touch the lives of all Americans.

We are especially concerned, however, about contraceptive research with respect to title X. There can never be a perfect contraceptive since individual personal circumstances change over a lifetime as do family planning goals and attitudes.

But in spite of the clear and compelling interest in better contraception, Federal support for development of new or improved methods and evaluation of current ones has actually declined since fiscal year 1981. Ninety-two million dollars is now spent for all work at the Center for Population Research.

Just 2 years ago, the Office of Technology Assessment recommended that an additional $20 million annually for Federal funding in contraceptive technology be made and we support this additional funding recommendation which is provided in H.R. 5193, a bill to extend title X for 3 years.

Again, Mr. Chairman, we would like to urge the continuing support of this program that has proved itself to be most valuable in the lives of Americans in addressing some of the most significant and severe problems that our society confronts. We thank you and the members of your committee for the strong support you have shown in the past and for your continuing support for the Federal Family Planning Program.

I'll be happy to answer any questions you may have.

Senator WEICKER. Faye, thank you very much. Appreciate it.

Ms. WATTLETON. Thank you for having me.

STATEMENT OF ROY MORGAN, EXECUTIVE DIRECTOR, NATIONAL FAMILY PLANNING AND REPRODUCTIVE HEALTH ASSOCIATION, INC.

PREPARED STATEMENT

Senator WEICKER. Roy Morgan, executive director of the National Family Planning and Reproductive Health Association.

[The statement follows:]

STATEMENT OF ROY MORGAN

RECOMMENDATIONS OF THE NATIONAL FAMILY PLANNING AND REPRODUCTIVE HEALTH ASSOCATION FOR FISCAL YEAR 1985 APPROPRIATIONS FOR THE TITLE X (PHS ACT) FAMILY PLANNING PROGRAM

Title X is the primary voluntary family planning program funded by the federal government. Often, Title X programs are the only ambulatory health care programs available to low-income women and teenagers in a particular locale, and thus serve as the primary medical service for these individuals.

The Reagan administration has consistently sought to repeal the Title X program for ideological and political reasons, and failing that, to significantly reduce the program's funding and undertake administrative harassment designed to destroy the integrity of the national family planning program and render it ineffective and incapable of providing needed comprehensive and Congressionally-mandated services. For over three years, the Reagan administration has attempted to augment its budget cuts with harassment of the Title X program by audits, personnel and organizational transfers, and untenable and illegal policy changes.

Despite the attempts of the Reagan administration, the successes of the Title X program cannot be ignored, and they speak forcefully for the renewal of Title X and for NFPRHA's appropriations requests. Full funding would reverse the slide of the last three years, bring the program to a funding level almost approximating that which it enjoyed four years ago, allow family planning agencies to restore needed services, and signal the Congress' commitment to an important federal preventive health care program which is effective, cost-efficient, and of extraordinary national importance.

Therefore, the National Family Planning and Reproductive Health Assocation, Inc. (NFPRHA), submits the following recommendations for fiscal year 1985 appropriations for the Title X (PHS Act) family planning program to the Committees on Appropriations of the United States Senate and House of Representatives:

1. Reject administration efforts to place federal support for family planning services into a primary care block grant and reauthorize Title X for three years as per the terms of H.R. 5493, introduced by Representative Henry A. Waxman on April 12, 1984.
2. Appropriate $170,000,000 for programs under Title X: $163,000,000 for service program grants and contracts; $3,500,000 for training program grants and contracts; and $3,500,000 for the development and testing of informational and educational materials and programs.
3. Appropriate $115,000,000 for the Center for the Population Research within the National Institute of Child Health and Human Development.
4. Appropriate $20,000,000 for the specific development and evaluation of new or improved contraceptives.

My name is Roy Morgan, Executive Director of the National Family Planning and Reproductive Health Association, Inc. (NFPRHA). It is my privilege to present to you today NFPRHA's statement regarding the subject of this hearing: fiscal year 1985 appropriations for programs authorized under Title X of the Public Health Service Act, "Population Research and Voluntary Family Planning Programs."

The National Family Planning and Reproductive Health Association (NFPRHA) is a national nonprofit membership association headquartered in Washington, D.C., established to improve and expand the delivery of family planning and reproductive health care services throughout the United States. Our members -- consumers of family planning services; state, county and local health departments; hospital-based clinics; affiliates of the Planned Parenthood Federation of America; umbrella funding councils; independent private nonprofit clinics; and health care professionals -- are committed to establishing and maintaining reproductive health care as a high priority preventive health care service in this country. Included in NFPRHA's membership are representatives of over 80% of the Title X grantees who, in fiscal year 1983, received over 85% of the funds available for family planning services under Title X.

Title X is the primary voluntary family planning program funded by the federal government. Other federal programs provide some support for family planning services (i.e., Titles V [Maternal & Child Health], XIX [Medicaid] and XX [Social Services] of the Social Security Act). However, Title X is by far the largest single source of funding, providing over 50% of available federal support and the national network of family planning agencies through which all subsidized services are provided. The program's goal is to serve a population of approximately 11 million women at risk of unintended pregnancy, including 5 million adolescent women ages 15 to 19 and 6 million adult women ages 20 to 44 in families with incomes below 200% of poverty.

Often, Title X programs are the only ambulatory health care progams available to low-income women and teenagers in a particular locale, and thus serve as the primary medical service for these individuals. Title X clinics are literally the entry point for millions of women and their families into any kind of health care system and many patients entered the health care system for the first time through Title X clinics, developing a new attitude towards health care which, previously, had been primarily crisis oriented. Typical Title X programs offer clinical health services (physical examinations, family planning information and services, pap tests, venereal disease screening and treatment, hemoglobin tests, urinalysis, pregnancy testing and diagnosis and treatment of minor vaginal infections), counseling services (for teenagers/adolescents, medical problems, parent/teen, nutrition, infertility, maternal and child health and problem pregnancies), services for males (counseling, education, condoms), special teen clinics, adolescent health education programs and community education programs.

In fiscal year 1981, Congress appropriated $166 million for Title X programs, subsequently reduced by a rescission to $162 million. Under the terms of P.L. 97-35, the extraordinary Omnibus budget Reconciliation Act of 1981, the Title X program was reauthorized for three years, through fiscal 1984, and its appropriations authorizations were reduced to $130 million in fiscal 1982, $143 million in fiscal 1983, and $155 million fiscal 1984.

The Reagan administration has consistently sought to repeal the Title X program for ideological and political reasons, and failing that, to significantly reduce the program's funding and undertake administrative harassment designed to destroy the integrity of the national family planning program and render it ineffective and incapable of providing needed comprehensive and Congressionally-mandated services. In 1981, 1982, 1983 and again in 1984, the Reagan administration proposed to repeal Title X as a categorical grant program and place it in a block grant. Congress has consistently recognized that family planning is a national need which transcends state, county and local borders. It agreed with NFPRHA and other supporters of the family planning program that the high incidence of teenage sexual activity, of venereal disease, of unplanned births, of adolescent pregnancy, and of abortions across the country will be brought under control only with a national effort. Congress concurred that strong federal support and direction are required to assure that every person seeking family planning services receives high quality, comprehensive and competent care, no matter in what state or locality he or she resides. Thus, Congress has three times rejected, and we hope and expect it to reject for a fourth time, the administration's misguided primary care block grant proposal for family planning.

In 1981, unable to convince the Congress to repeal Title X, the Reagan administration sought a 23% reduction in Title X funding from the level authorized for fiscal 1982 while seeking only a 12% reduction for all other health services programs. Congress wisely rejected the administration's efforts and did not discriminate against Title X when settling on an across-the-board 4% domestic program spending reduction, thereby providing Title X an appropriation for fiscal 1982 of $124.8 million. For fiscal 1983, Congress and the administration agreed to a spending "freeze" for domestic programs, resulting in a fiscal 1983 appropriation for the categorical Title X program of $124 million. Thus, for two years family planning agencies operated on budgets reduced on average by almost one quarter from fiscal 1981. Such a reduction had a drastic deleterious effect on family planning agencies and the people they serve.

For fiscal year 1984, the Congress increased the Title X appropriation over the administration's objections by $16 million, or 12.8 percent. Congress made it clear that this increase in funding was to be used to help offset the past two year's reductions in Title X service delivery monies. Yet, under the regional allocation formula imposed by DHHS' Office of Population Affairs (OPA), not only did the ten DHHS regions not receive an equitable 12-13 percent increase in their service delivery funds, but Region 1 received a 2 percent decrease from fiscal year 1983 and Region II received a 1 percent decrease. The remaining regions received increases ranging from 7.1 percent to 16.5 percent.

Compounding the problem, and ensuring outrage from service delivery providers who have had to struggle extremely hard to continue to provide high quality family planning services in the face of draconian budget cuts, OPA arbitraily set aside $5 million ($500,000 per region) for special "projects of national priority"--family involvement of Title X adolescent clients, infertility services, natural family planning services, male involvement, and other regionally identified areas of concern. Although the administration has claimed that Title X providers at regional meetings around the country requested assistance in these areas, none of the participants in those meetings with whom I have been in contact agrees with the administration. In fact, many Title X providers -- including participants in the regional meetings with DHHS officials -- have formally protested the set-aside.

While NFPRHA agrees that special services must be developed and ongoing services improved in order to expand and improve the delivery of family planning health care, we believe that it is essential in the face of massive budget reductions that basic family planning and contraceptive services be adequately funded before DHHS starts setting aside large sums for new initiatives which Congress has otherwise directed be used for direct family planning services.

That DHHS has disregarded Congress' intent regarding the increase in fiscal year 1984 appropriations comes, unfortunately, as no surprise. The goal of NFPRHA and its members is to continue to play an active role in helping families improve their lives, strengthen their bonds, achieve upward economic and social mobility and reduce the need for social welfare services. Federal support and the commitment of government leaders is essential to achievement of this goal.

Yet, support and commitment are the exact opposite of the current administration's position regarding the family planning program. For over three years, the Reagan administration has attempted to augment its budget cuts with harassment by audits, personnel and organizational transfers, and untenable and illegal policy changes.

A significant violation of the directions of Congress was the administration's promulgation of the "squeal rule" -- the proposal that Title X clinics notify parents when prescribing contraceptives to adolescents. More recently, this administration has blatantly defied Congress by refusing to obey directions contained in P.L. 98-139 that DHHS return the administration of Title X to the Health Resources and Services Administation from its current location in the Office of the Assistant Secretary for Health. By so refusing to comply with the instructions of Congress, the administration has decided to retain the administration of the Title X program under the direct control of a political appointee without any professional knowledge or expertise in the administration of a major health care delivery program, Deputy Assistant Secretary for Population Affairs Marjory E. Mecklenburg.

An unprecedented number of audits of Title X grantees have been undertaken during the past three years, at political instigation, by the DHHS Office of Inspector General and the General Accounting Office. Absolutely no violations of law or regulation were found to have been committed. Yet, despite that finding, the Office of Management and Budget has proposed changes in accounting procedures for non-profit recipients of federal funds to prohibit lobbying and related activities by those recipients. The putatively illegal and unconstitutional changes have been blamed by OMB in large part on "proof" supplied by the GAO audits of Title X agencies -- proof that simply does not exist.

DHHS proposed, in direct opposition to explicit Congressional instructions, to abolish the service delivery improvement program which provided essential projects designed to improve the delivery of family planning services, gather and interpret data, and set medical standards, among others. That proposal, generated by political concerns and designed to "de-fund" opponents of the administration's family planning policies, was retracted twice under intense Congressional pressure. However, the administration in fiscal year 1984 was able to re-direct the focus of the service delivery improvement program in such a way as to support projects of a type different than that which Congress originally intended.

In a further draconian attempt to resolve a misperception about the operation of Title X agencies and their relationhip to abortion services, DHHS proposed new Title X guidelines that would have severed family planning providers from projects providing abortion services at high costs to family planning providers and their patients. This new policy was drafted despite the repeated GAO and IG audits which have found that family planning agencies are scrupulous about obeying the strictures in the Title X statute and regulations against the use of Title X funds for abortion services.

All Title X projects explicitly follow the provisions of Section 1008 regarding advocating, promoting or providing abortions with their Title X funds. Yet, because of the misperception by the administration that Title X providers also provide abortions -- albeit, perhaps, with private funds -- this draft guideline was prepared. But according to DHHS' own figures, of the approximately 5,000 family planning clinics in the United States which received Title X funds in 1981, only 74 perform abortions -- 44 hospitals, 21 Planned Parenthood affiliates and nine other private clinics. Although such a policy, if it had not been blocked by significant public and Congressional outcry, would have directly affected less than one percent of all Title X clinics, it was seen as the first step in an effort to block Title X funding to agencies involved in abortion or abortion-related services with private, non-federal funds. Denial of government funding to these agencies is supported by family planning opponents who believe that such funding constitutes government promotion or sanction of abortion. If such a policy is ever adopted, it would deny access to family planning services to low-income women receiving their general medical care from providers who also provide abortions with non-federal funds; conflict with federal court rulings against government attempts to deny funds to organizations because of their exercise of their constitutional rights with non-government funds; ignore the rights of patients to make informed decisions as to their own care; conflict with professional and ethical standards of health care which require that all options be providied to a pregnant woman; and conflict with the laws and policies of a number of state governments which provide payment for abortion services with their own funds.

Finally, the administration has interfered with the competent delivery of family planning services by niggling harassment. The Office of Population Affairs has developed a bunker mentality concerning the national network of family planning providers with whom it is supposed to work. This bunker mentality has emerged following the repeated failures of DHHS to implement its major policy changes. Thus, the OPA staff refuses to return telephone calls or respond to correspondence from those family planning providers and national organizations it dislikes; draft allocation formulas are submitted to the regions for comment too late for input from either regional DHHS officials or grantees or delegate agencies; requests for proposals for family planning grants and contracts are published in the Federal Register late, thereby creating major financial problems for grantees and contractors; funding decisions are influenced by political and philosophical considerations; meetings are held where no information is provided and which are later misrepresented to Congress and others; extraordinary paperwork and reporting requirements are imposed that are simply "make-work" projects that neither reveal new information nor assist in the improvement of the overall program, etc. While it is true that this niggling harrassment does not in itself harm the Title X program and provider agencies in a drastic way, it serves to divert the attention of Title X program managers away from thinking of better ways to provide services to patients and toward thinking of better ways to survive in a hostile management environment.

Despite the attempts of the Reagan administration, the successes of the Title X family planning program cannot be ignored, and they speak forcefully for the reauthorization of Title X for three years as per the terms of H.R. 5493, introduced by Representative Henry A. Waxman on April 12, 1984, and for NFPRHA's request that this subcommittee and Congress approve an appropriation for Title X for fiscal 1985 of $170 million.

An appropriation of $170 million would reverse the slide of the last three years, bring the program to funding level almost approximately that which it enjoyed four years ago, allow family planning agencies to restore needed services, and signal the Congress' commitment to an important federal preventive health care program which is effective, cost-efficient, and of extraordinary national importance.

The family planning program deserves a sufficient and adequate level of funding because it makes economic and personal sense. In its first decade, this program averted a total of 5.4 million unintended pregnancies, including 2.3 million births, 2.5 million abortions and 600,000 miscarriages. And it did so while averting significant government expenditures, as every government dollar invested in the family planning program saves at least two dollars within the next year in government funding for health and welfare services.

Yet despite the success in averting personal tragedies and unnecessary government spending, the Reagan administration has initiated spending policies which resulted, according to DHHS, in the number of low-income women and teenagers served by Title X agencies dropping from 4.1 million in 1980 to an estimated 3.3 million in 1983, and the number of clinic sites dropping from 5,000 to 4,000. It is axiomatic that these policies can only result in increases in the number of unintended pregnancies, with a concomitant increase in the numbers of unintended births and abortions in this country.

A fiscal 1985 appropriation of $170 million would provide $163 million for family planning service program grants and contracts, $3.5 million for training program grants and contracts, and $3.5 million for the development and testing of informational and educational materials.

In a related area, NFPRHA urges this subcommittee and the Congress to approve an appropriation of $115 million for the Center for Population Research. The biomedical and behaviorial research conducted by CPR is integrally related to the delivery of family planning services, as recognized by the Congressional direction that such research be conducted being a part of the Title X statute. In addition we request an appropriation of $20 million for the specific development and evaluation of new or improved contraceptives.

Mr. Chairman, the National Family Planning and Reproductive Health Association recently held its twelfth annual meeting, the theme of which was "1984: Renewing the Commitment." Renewing the commitment did not simply stand for fighting for the right to access to family planning services in the legislatures, in the courts and in the political battles of this country. It also stands for renewing the commitment expressed by President Nixon and Congress in

1970 with the original passage of Title X to the delivery of high-quality, comprehensive medical care, counseling and educational services. We urge you and your Congressional colleagues to renew the nation's commitment to family planning and reproductive health care by reauthorizing the Title X statute in 1984 without any debilitating amendments and appropriating adequate funding for Title X programs and related research.

Thank you very much.

Mr. MORGAN. Good morning, Mr. Chairman, members of the subcommittee. My name is Roy Morgan. I'm executive director of the National Family Planning and Reproductive Health Association.

It is my privilege to present to you today NFPRHA's statement regarding fiscal year 1985 appropriations for programs authorized under title X of the Public Health Service Act, the population research and voluntary family planning programs.

The National Family Planning and Reproductive Health Association is a national nonprofit membership association in Washington established to approve and expand the delivery of family planning and reproductive health care services throughout the United States. Our members are consumers of family planning services.

We have State, county, and local health department members, hospital-based clinics, affiliates of the Planned Parenthood Federation of America, umbrella funding councils and independent private nonprofit clinics and health care professionals.

Title X is the Primary Voluntary Family Planning Program funded by the Federal Government. The program's goal is to serve a population of approximately 11 million women at risk of unintended pregnancy including 5 million adolescent women ages 15 to 19 and 6 million adult women ages 20 to 44 in families with incomes below 200 percent of poverty.

Often the title X programs at clinic sites are the only ambulatory health care programs available to low-income women and teenagers in a particular locale and thus serve as a primary medical service for these individuals. The clinics are literally the entry point for millions of women and their families into any kind of health care system. Many patients have entered the health care system for the first time throughout title X clinics.

We have seen over the past few years persistent efforts to reduce title X funding. In fiscal year 1981 Congress appropriated $166 million for title X programs which was subsequently reduced by rescission to $162 million.

Under the terms of Public Law 97–35, the extraordinary Omnibus Budget Reconciliation Act of 1981, the program was reauthorized for 3 years, through fiscal 1984, and its appropriations authorizations were reduced to $130 million in fiscal 1982, $143 million in fiscal 1983, and $155 million in fiscal 1984.

Title X has received an appropriation for fiscal 1982 of $124.8 million, and for fiscal 1983 the Congress agreed to a spending freeze for domestic programs which resulted in a fiscal year 1983 appropriation to the title X program of $124 million.

Thus, for 2 years, our National Family Planning Program and its agencies have operated on budgets that have been reduced by an average of about one-fourth from fiscal year 1981. This reduction has had a drastic effect on family planning agencies and the people they serve.

It has resulted in the closing of some clinics. I'm pleased to say that, for the most part, we have been able to maintain this same level of patient population.

For fiscal year 1984 Congress increased the title X appropriation over the administration's objections by $16 million, or 12.8 percent. Congress made it clear that this increase in funding was to be used to help offset the past 2 years reductions in title X service delivery moneys.

Yet, under the regional allocation formula imposed by the Department's Office of Population Affairs, not only did the 10 Federal regions not receive an equitable across-the-board 12- or 13-percent increase in funding, some of them actually received cuts in funding.

Region 1 received a 2-percent decrease from fiscal 1983 and region 2 received a 1-percent decrease. The remaining regions received increases ranging from 7 to 16 percent.

Compounding the problem of the draconian budget cuts, the Office of Population Affairs arbitrarily set aside $5 million for special projects, so-called national priority projects. Many of our providers around the country objected to that and continued to object to earmarking of funds for anything other than basic service delivery.

While we agree that the special services must be developed and ongoing services improved in order to expand and improve the delivery of family planning health care, we believe that it is essential that in the face of budget reductions basic family planning and contraceptive services be adequately funded before DHHS starts setting aside large sums of money for new or special initiatives which Congress has not directed specifically in the law.

For 3 years the administration has attempted to augment its budget cuts with harassment by audits personnel, organizational transfers, and untenable illegal policy changes.

I will move on to the end of my presentation.

Mr. Chairman, the National Family Planning and Reproductive Health Association urges you and your congressional colleagues to renew the Nation's commitment to family planning and reproductive health care by reauthorizing the title X statute in 1984 without any debilitating amendments and appropriating adequate funding for title X programs and related research.

We support and urge the committee to appropriate $170 million for programs under title X; that is, specifically, $163 million for service programs, grants, and contracts; $3.5 million for the Training Program; $3.5 million for the development and testing of information on educational materials and programs.

We also urge you to support $115 million for the Center of Population Research within the NIH Institute for Child Health and Human Development, as well as $20 million for the specific development and evaluation of new and improved contraceptives.

Thank you very much.

Senator WEICKER. We appreciate it.

Senator Andrews will now chair.

STATEMENT OF EDWARD ALBERT KAMENS, M.D., AMERICAN MEDICAL PEER REVIEW ASSOCIATION

ACCOMPANIED BY ANDREW WEBER, EXECUTIVE VICE PRESIDENT, AMPRA

Senator ANDREWS [presiding]. Thank you, Mr. Chairman.

Our next witness will be Dr. Edward Albert Kamens of the American Medical Peer Review Association.

Welcome, Doctor.

Dr. KAMENS. Thank you, sir.

Senator ANDREWS. It's good to have you here. We have an advanced copy of your testimony. You may summarize it in anyway that you wish. Let me assure you that it will appear in the record in its entirety.

Dr. KAMENS. Thank you very much, sir.

Dr. Edward Albert Kamens. I'm a private practicing physician from Fairfield, CT. With me is Mr. Andrew Weber who is executive vice president of AMPRA, a physician-based peer review organization that encompasses the PSRO and the emerging PRO complex.

Our purpose today is to share with you some recommendations and thoughts on the fundings for existing PSRO's and PRO's. AMPRA has been a very strong advocate and, for the past 18 months, has worked diligently to promote peer review on a professional basis.

There would have been no implementation if it had not been for the good graces and the leadership of this committee, and we are grateful to all of you for understanding our problems and voting for a $13 million appropriation for fiscal 1984 to carry out the duties of 141 PSRO's.

Although this sum is more than we had any right to expect, probably, it does represent a 27½-percent cut at a very critical time in the PSRO and the peer review process. In addition, the funding also appears to be limited to June 30, but no assurance exists that all aspects of the PRO Program can be in place at that time.

In fact, the data would seem to indicate that at this point there is actually a voluminous amount of work to be done, that all of the contracts are not in, that only 2 months exists for the contracts to be negotiated, and that they are quite complex and that some of the important regulations are not in place.

The bottom line is that a great deal remains to be done and I doubt if July 1 is the date on which all price-fixed contracts can be in place.

I, therefore, would suggest that there might be a significant gap in this entire situation and this would place the patients at risk in quality evaluation, and it would place the medicare trust fund in somewhat of a financial risk.

In addition, there is the question of the morale problem with all of these committed individuals who may have come into a program reluctantly many, many years ago with the Bennett amendment, but who have become very strong advocates of the entire process and who are really significant professionals in the field at this time.

With this in mind, AMPRA is suggesting a $6 million supplemental fund to ensure that no gap occurs in the process, and this is not out of thin air. It is based on our actual expenditures of $2 million a month and we're estimating a 90-day hiatus.

I would like to turn your attention to the proposed budget for 1985. The figure arrived at for the budget was $171 million. That was utilizing a formula based on 1982 figures in which the PSRO's did nothing but length of stay package and ancillary services.

In my prepared statement there are at least 12 new functions which the PSRO's are being asked to perform. One of them alone carries the potential of increasing review from 30 percent to almost 100 percent of the work that goes on in the hospitals under the medicare system.

Dr. Carolyne Davis made it abundantly clear that the PRO's were going to be asked to take on very different tasks from those that the PSRO's were being asked to take. For this reason AMPRA feels that there has to be some consideration and reevaluation of the entire funding process.

First of all, we cannot give you any accurate figure. We do not have the experience. But we can tell you that there should be some built-in flexibility into the system.

We do not have any idea at the present time, sir, as to what can happen in terms of the amount of explosion of work. We know that those PSRO's that are already starting the PRO work are finding that it is voluminous in nature; and I bring you their message. That is, we need help.

We are also somewhat disappointed that the present budget does not allow for new and innovative approaches in terms of medical review. There are people out there with some very bright ideas as to how to go about review and there are some innovative ideas on how to go about review.

There are some concepts that have to do with the education of our peers and with the education of the general public, and there are concepts that have to do with the integration of medicare, medicaid, and the public and the private sector in terms of review.

All of these things seem to suggest to us that there ought to be some flexibility in the process and that somewhere along the line the Secretary does have the flexibility to go out and reach into some of the trust funds if documentary evidence can be obtained suggesting that the volume has increased as stated.

Without that perhaps not, but with it certainly there ought to be some flexibility in the system that permits those trust funds to be reached for by the Secretary.

We had also hoped that the contracting process might be a little bit more competitive. I think that the regulations, as stringent as they are, suggest to some people who might want to compete in the process that perhaps it might be too difficult to get involved with it; that is, unless they could find some shortcut methods, one computer perhaps talking to another computer, and that would not really be the ideal peer review type of system.

It is my feeling that a Medicare Program expending $40 billion in hospital care requires more than one-third of 1 percent to ensure quality control. Now, will any of these expenditures be quality effective, cost effective, or cost beneficial?

I have three ideas about that. Very briefly they are as follows:

One, the entire complex of medical care in this country has been referred to as a cottage industry and as a mom and pop candy store. It is the single largest $320 billion candy store that I've ever seen in my whole life, and somebody ought to keep an eye on it.

There are a great many changes that have taken place out there and they require our direct vigilance.

Two, utilization review and now the quality assurance that you have instituted into the system suggests that you're very close to a program of risk management; that is, the avoidance of injury to patients. Nothing could be more cost effective than to avoid an injury rather than to treat it at the other end, and that doesn't even take into account the litigation that can occur when an injury occurs to a patient.

Finally, we recognize that there are going to be great societal decisions that are going to be taking place very shortly. It would be very instructive and very helpful if you had information that was based on good solid clinical judgment by real live doctors on the line saying, "Yes, this is effective"; "No, this isn't effective."

Thank you very much. I appreciate the opportunity to come before you. If there are any questions I'd be pleased to answer, sir.

Senator ANDREWS. Thank you very much, Doctor. By happenstance you couldn't have been testifying before a Member of the Senate who is more aware of the problems you bring out.

We are, at this day, our family, involved in a massive malpractice suit based on medical care that my wife did not get and ended up in a wheelchair after a year in the hospital; totally unnecessary, our lawyers tell us. So we have 6 weeks of trial left ahead of us.

Dr. KAMENS. Preventing that, sir, would be a great boon to everyone.

Senator ANDREWS. Hopefully, what we're going through will straighten out the procedures in this particular institution.

Dr. KAMENS. I thank you for your vigilance.

PREPARED STATEMENTS

Senator ANDREWS. It's good for you to be here. We appreciate your testimony very much. Your statement will be included in the record at this point, along with other statements submitted for the record on appropriations for the Health Care Financing Administration.

[The statements follow:]

STATEMENT OF DR. EDWARD ALBERT KAMENS

Executive Summary

- The American Medical Peer Review Association (AMPRA) recommends that 6 million dollars in supplemental funds in FY 1984 be provided to the PSRO program given the increased volume of PSRO review activity under Medicare prospective payment (PPS) and the uncertainty surrounding the implementation dates for the new PRO program. This additional funding would preserve needed continuity in the physician peer review process, and advert a potential lapse in Medicare review.

- AMPRA anticipates that the FY 1985 Budget of 171 million dollars for the PRO program will be insufficient to fund the volume of review activities required by HCFA, support new approaches to medical review that the Peer Review Improvement Act envisioned, and to stimulate competition for PRO contracts. AMPRA recommends that the PRO Budget be reassessed in light of these concerns. At the very least, AMPRA recommends that flexibility be applied to the federal contracting process, as the legislation permits, to allow for the renegotiation of PRO contracts in the event that actual review volume has been underestimated.

Mr. Chairman, I am Edward Albert Kamens, M.D., a practicing physician from Connecticut, and today I am representing the American Medical Peer Review Association (AMPRA). With me is Andrew Webber, Executive Vice President of the Association. AMPRA is the national association representing physican-based medical review organizations including the Professional Standards Review Organizations (PSRO's) under contract to the Medicare program, and the emerging Peer Review Organizations (PRO's). Thank you for the opportunity to participate in these hearings.

Our purpose today is to share with you our recommendations for funding the existing PSRO program and the soon-to-be implemented PRO program. As you know, our Association strongly advocated the enactment of the Peer Review Improvement Act as incorporated in the Tax Equity and Fiscal Responsibility Act (TEFRA). Since that time, some eighteen months ago, we have worked diligently to promote a reasonable and prompt implementation of this statute. Despite our efforts and those of many in the Congress, progress in bringing the PRO program on line has been slow, calling into question whether this Administration is, in fact, committed to the operation of a physician-based Medical review system.

As you recall, Mr. Chairman, this commitment was not evidenced last year when the Administration teamed with the House Appropriations Committee and pressed for zero funding of the PSRO program in the FY 1984 Budget. AMPRA wants you to know that if it were not for your efforts and those of Senator Chiles in opposing the Administration and the House we would not have a PSRO program in place now; and, we very likely would not have seen any progress toward implementation of the PRO program as designed by Congress. We want to express again our appreciation for your support last year and let you know that your help is still very much required.

As a result of this Committee's leadership, Congress provided a $13 million appropriation to meet the administrative costs of 141 PSRO's during Fiscal Year 1984. While this funding level was more than AMPRA and its members could reasonably expect given the strong opposition of the Administration and the House, it represented a 27.5-percent cut in support at a very critical juncture in the Medicare program. Chairman Weicker, AMPRA would not bring this PSRO funding reduction to your attention if it were not for its illogic and poor timing. For at the same time that PSRO budgets were being reduced, the most complex and controversial change in the Medicare system was instituted: the Medicare prospective payment system (PPS). Suddenly, PSROs were asked to take on new and critically important review responsibilities at a time of severe cutbacks. Certainly you can understand how these mixed signals from Washington created confusion and uncertainty in the PSRO community, to say nothing of its impact on the spirit and morale of the dedicated individuals working in the medical review system.

The $13 million appropriation to PSROs in FY 1984 had one additional consequence: it only permits the funding of PSRO review activities through June 30th. The question becomes will PROs be operational by July 1 so there will be no lapse in medical review under PPS? Recently, Carolyne Davis of the Health Care Financing Administration testified before your Subcommittee and assured Congress that PROs will be in place in July, and that continuity in the medical review process will be preserved at all costs.

With all due respect to Carolyne Davis and HCFA, AMPRA must question this overly optimistic PRO implementation schedule. The facts are clear: the responses to the Requests for Proposals (RFPs) for PRO contracts have not yet been received; by the government HCFA will only have two months to both select and then fully negotiate complex fixed price contracts with PROs in most of the states; important regulations on the PRO program have not been finalized, some as yet have not even been released for public comment, calling into question the legality of PRO implementation in their absence. The bottom line, Chairman Weicker, is that there is much to be accomplished in a very short time frame. AMPRA believes that the HCFA goal of haying most PROs operational by July 1 is in serious jeopardy given the delays to date and questions conerning the feasibility of negotiating complex, fixed price contracts with 56 organizations. Not only will a gap between termination of PSRO's and initiation of PROs be disruptive for the Medicare program, but it also puts both patients and the Medicare Trust Fund at substantial risk in terms of quality compromise and expenditure for services.

Uncertainty about the future of this program is most destructive of the morale of the many committed individuals who are the strength of the PSRO program. It is essential that we have an orderly transition so that the expertise and resources developed by the PSRO program can be applied to a new generation of review organizations. It would be a great waste if these resources became a casualty of delays and disruption in the administration of the PRO program.

While we believe that the vast majority of physicians and hospitals will continue to meet fully their obligations to their patients, there is a need to provide assurance that there are no exceptions to this general rule. Physician-based peer review is the only form of medical risk management which brings the expertise of physicians to the evaluation of individual patient cases as documented by the medical record. It is the educated, professional oversight of medical practice that makes the PSRO program unique. Relying on the range of medical specialties performed by physicians practicing in a community setting distinguishes true peer review from claims and computer review by fiscal intermediaries. There is really no substitute for the physician peer review process particularly as our concerns for quality of care increase with fundamental changes in provider reimbursement.

Mr. Chairman, we provide this background so that you can appreciate our concern about interim funding for PSROs and to support our request for 6 million dollars in supplemental funding to continue PSRO operations during this critical transition period. The amount of such funding is quite modest, but we think it is absolutely essential for a reasonable transition to the new program.

We would now like to turn your attention to the proposed budget for PRO's during Fiscal Year 1985. Under the provisions of the Social Security Amendments of 1983, the Secretary is authorized to draw funds from the two Medicare trust funds to finance operations of the PRO program. The statute requires that the aggregate amount of such funds not be less than the aggregate amount expended for the PSRO program in Fiscal Year 1982 adjusted for inflation.

Unfortunately, the Administration's budget request for Fiscal Year 1985--$171 million--is based on the minimum amount required in the law. We take exception to this recommendation. Our position is that the PRO program is significantly broader in scope and more resource intensive than the prior PSRO level activity. In the remainder of our testimony we want to acquaint you with the increased level of effort required to meet the contract objectives of a PRO and our reasons for putting Congress and the Administration on notice that we anticipate that the PRO budget will be insufficient for the work demanded.

In comparing PSROs with PROs, it is important to remember that PSROs were required to perform essentially two functions: (1) hospital length of stay review; and (2) review of the use of ancillary services. These activities resulted from the incentives of a cost-based, retrospective payment system for hospital care which generally paid hospitals the costs they incurred to furnish care to Medicare patients. These PSRO functions were intended to counter the inappropriate financial incentives of that reimbursement system.

Under the new prospective payment system by DRG, Medicare has established a different set of financial incentives and the emerging PRO program is being designed to counter a different set of possible abuses. At the same time, PROs are being asked to continue PSRO-type review activity for hospitals not covered by the PPS. Under both statutory and regulatory mandates, PROs will be required to perform:

1. Preadmission and preprocedure review on a sample basis;
2. Retrospective admission review;
3. Quality of care review;
4. Verification of hospital DRG coding;
5. Review of all hospital readmissions and transfers;
6. Review of each day and cost outlier case;
7. Special review of all cases coded under DRG 468;
8. Review of pacemaker implants and other invasive diagnostic and therapeutic procedures;
9. Development of provider sanction proceedings;
10. Review of hospital billings for uncovered care; and
11. Participation in fraud and abuse detection.

There is no question about the necessity and appropriateness of these activities in light of the PPS. The issue is the recognition of a reasonable amount of funds to insure that this scope of activity can be carried out effectively. It is apparent that the level of payment provided to PSROs in 1982 will not be adequate for these tasks.

Mr. Chairman, we believe our understanding of the PROs function and increased workload is supported by the testimony of the Administrator of HCFA before the House Appropriations Committee in March. Dr. Carolyne Davis stated that ". . . we are asking the new PROs to do a much more thorough, a difficult types of review, in that PSRO was primarily a utilization review that looked at and tried to monitor the length of stay. With changes in the PPS, the focus has changed and we are asking the PROs to validate the diagnosis to assess whether or not the admissions are appropriate. They must look at a number of areas in terms of transfer of patients, readmissions within seven days . . . They are going to monitor admissions and monitor quality of care so there is a large agenda of items that the peer review organizations will do that is a different focus than the PSROs."

Given HCFA's own admission that PROs will be undertaking an increased volume of review; that it is difficult at the beginning of the contract period to anticipate what the absolute volume of review will be in a PRO area; and that PRO contractors are at significant risk under a fixed price contract if review volume is underestimated, AMPRA believes that the PRO budget needs to be seriously rethought. While AMPRA is not in a position to suggest an absolute funding level at this time without more membership experience under the PRO program, it is our recommendation that flexibility be built into the federal contracting process. This flexibility would allow for the renegotiation of fixed price contracts during the term of the contract period based on a realistic appraisal of the workload that can only come with experience under the new program. Chairman Weicker, it was the authors, of the Peer Review Improvement Act, Senators Durenburger (R-MN) and Baucus (D-ID) that anticipated just these kinds of contingencies and uncertainties about the medical review process and insisted that there be flexibility in the federal contracting process for the PRO program. AMPRA strongly recommends that this flexibility be applied to the PRO contracts in establishing appropriate funding levels.

Moreover, AMPRA must record its disappointment that the present PRO budget does not allow for the development and implementation of innovative new approaches to medical review. AMPRA shared a hope with Senators Durenburger and Baucus that the PRO program would signal a new era in medical review. The intent was for the PRO porgram to be far less process prescriptive and, instead, more stimulative of creative review strategies. Yet, there are no funds available for: physician retraining programs; development of medical review criteria, case mix systems, and data providing methodoligies; review of Part B reimbursement and outpatient care; the publication of community wide research on variations in medical practice; consumer education; and better coordination of Medicare and Medicaid review. Chairman Weicker, it is with disappointment and frustration that AMPRA makes the observation that what has been put forward thus far looks very much like the PSRO program warmed over.

Finally, we believe that the Congress fully intended that the contracting process be truly competitive. It is our opinion that the financial commitment to the program represented by the Administration's budget will not create the level of interest necessary to stimulate multiple bids. Unfortunately, inadequate financing is not the only factor which may discourage prospective PRO bidders. The implementing regulations and scope of work for the program are very detailed and prescriptive. The potential regulatory burden and the extent of contract oversight in and of itself will act as a deterrent to prospective bidders. When one considers the potential for very costly review activities and the difficulty of obtaining sufficient contract funds, it is very likely that in number of areas, there will be virtually no competition for PRO contracts.

For these reasons, AMPRA anticipates that the PRO Budget will be insufficient to do the job demanded, fund creative new approaches to medical review and stimulate real competition for the PRO contracts. We recommend in particular that flexibility be built into the contracting process to permit, at the very least, the renegotiation of greater levels of funding in the event of unanticipated review volume. Mr. Chairman, we recognize the severe financial constraints facing the Medicare program over the next ten years. But, we would submit to you that those financing problems will be exacerbated by a failure to establish a viable and effective PRO program. To illustrate what we are describing, just assume that Medicare hospital admissions increase by one percent above current projections because the review program under PRO's is not fully implemented or because resources to carry on review activities are inadequate. The financial consequences would be substantial.

It should be apparent that it would be unwise to achieve modest savings in the administration of PROs only to find a sizeable increase in unnecessary or unneeded hospital services. The entire PRO budget for Fiscal Year 1985 is less than one third of one percent of Medicare hospital expenditures. We certainly have the potential to be "penny-wise and pound foolish" if we fail to support this program in a reasonable manner.

We want to thank you again for the opportunity to participate in these hearings, and we would be pleased to answer any questions you or other members of the Committee may have.

STATEMENT OF THE BLUE CROSS AND BLUE SHIELD ASSOCIATION

We appreciate the opportunity to provide our comments on the Medicare contractor portion of the Health Care Financing Administration's (HCFA) request for appropriations for FY 1985. The Blue Cross and Blue Shield Association and its member Plans have been major participants in Medicare since its beginning, and we are deeply committed to the effective and efficient administration of the program.

In recent years, the Medicare contractor portion of the budget has regained some much needed stability and consistency in funding levels. As a result of your Committee's recognition that a strong commitment to Medicare administrative activities is an integral part of the government's efforts to assure that benefit payments are made properly, the Congress has provided adequate funding levels for Medicare contractor functions for the last two fiscal years. We support your leadership in this area and again this year urge you to provide the administrative funds that will help insure that the benefit dollars of the Medicare program are safeguarded.

Recent reports confirm that the Medicare program faces the possibility of a significant shortfall in the hospital insurance trust fund within the next several years. In addition, you are aware that Congress approved, as part of the Social Security Amendments of 1983 (P.L. 98-21), a new form of prospective payment for hospital inpatient care. These developments reinforce the need for an experienced and cost effective contractor community to assure an appropriate level of service for Medicare beneficiaries and to assure that health care providers are properly reimbursed and knowledgeably informed of new complex changes in the program.

Use of FY 1984 Appropriation

Last May the Blue Cross and Blue Shield Association urged the Committee to provide additional funding in FY 1984 to allow for the timely and accurate implementation of the new prospective payment system based on diagnostic related groups (DRGs). Your Committee recognized that need and provided additional funding. The new prospective payment system is now being implemented with minimal disruption — a major accomplishment for what most have termed the single most important and fundamental change in Medicare reimbursement since enactment of the program. The extensive implementation effort undertaken by HCFA and the intermediaries was unprecedented.

From the passage of the public law in March of 1983 to the beginning of the implementation on October 1, 1983, the intermediaries and HCFA were faced with a monumental task of immense complexity.

During that short period an entire body of regulations was developed, instructions were issued to the intermediaries, systems were changed and providers were educated. In addition, it was necessary for the intermediaries to conduct base year audits of each provider converted to the new system. The base year audit required that a field audit be performed on each hospital to establish the hospital-specific portion of the new payment system. According to HCFA figures, these audits are returning $9.00 to the trust funds for each $1.00 spent on them.

Now, after six months of implementation, more than three thousand hospitals have been converted to the new system. The remainder of the hospitals will be converted by August of 1984. The contractor community has, as of April 1, processed more than one million bills under the new prospective payment system which represents several billion dollars in benefits.

The successful implementation of the new system would not have been possible had there not been stability in the appropriations process and adequate funding levels provided. Knowing that the Congress understands and supports their ongoing activities sends a strong and positive message to contractor management and their key staff.

FY 1985 Appropriation

HCFA has submitted a Medicare contractor budget of $917.6 million for FY 1985. That figure reflects an increase of 6.45 percent over FY 1984. It also includes $45 million made available by Section 118 of P.L. 97-248 (TEFRA). It should be recognized that the "appropriation" of $45 million under TEFRA for audit and medical review by the Medicare contractors has been a worthwhile investment and is returning the program savings that were intended. The three-year authority for the $45 million expires at the end of FY 1985.

The Blue Cross and Blue Shield Association has carefully reviewed HCFA's budget and, while we may differ with some of their specific budget assumptions, we believe their overall estimate should be adequate. However, just as the passage of prospective payment legislation last year ultimately affected the contractor budget, it is possible that the budget reconciliation package currently being considered by Congress may also affect the budget. There are several other uncertainties which could alter our assessment as well. They include: adjustments and refinements to the prospective payment system, the phasing out of HCFA's Office of Direct Reimbursement, and the impact of the new Peer Review Organizations (PRO) on contractor operations.

In conclusion we support the Administration's FY 1985 request for Medicare contractors. We believe that funding at the $917.6 million level will support your Committee's interest in providing an adequate and stable level of resources for the administration of this most important Medicare program, with due consideration of the unknown factors noted earlier.

STATEMENT OF CHESTER BRODNICKI, DIRECTOR OF PROFESSIONAL SERVICES, CHILD AND FAMILY SERVICES, HARTFORD, CT

PREPARED STATEMENT

Senator ANDREWS. Our next witness is Mr. Chester Brodnicki, the director of professional services, Child and Family Services, from Hartford, CT.

There seems to be a multitude of Connecticut connections. [Laughter.]

We realize it's good to get down here from Connecticut. We also realize that there's a lot of great talent in Connecticut; but we're glad to have you here.

Mr. BRODNICKI. Thank you.

Senator ANDREWS. Please proceed. Let me assure you that, with our traffic light here in operation, your entire statement will appear in the record just as though you uttered every word.

Mr. BRODNICKI. Thank you.

[The statement follows:]

STATEMENT OF CHESTER A. BRODNICKI

Summary
CWLA Requested Appropriations
FY 1985

Program	FY '85 Appropriation
Title IV-B Child Welfare Services	$265 million
Title IV-E Foster Care	Open-ended Entitlement
Title IV-E Adoption Assistance and Child Welfare Training	Open-ended Entitlement $4 million
Title XX Social Services Block Grant	$3 billion ($25 million supplemental for FY '84)
P.L. 94-142, Education for All Handicapped Children	$1.334 billion
Maternal and Child Health Block Grant	$483 million
Child Abuse Prevention & Treatment	$30 million
Adoption Opportunities	$5 million
Family Planning & Population Research	$170 million
Runaway and Homeless Youth Act	$25 million

The Child Welfare League of America was the first, and continues to be the only, national, not-for-profit, voluntary membership organization which sets standards for child welfare services in this country and Canada. Our agencies provide adoption services, day care, day treatment, foster care, residential treatment, maternity home care, protective services, homemaker services, emergency shelter care, services to children in their own homes, and services for children and families for the purposes of strengthening those families. The League is a privately supported organization comprised of over 300 child welfare agencies in North America whose efforts are directed to the improvement of care and services for children. Through the Office of Regional, Provincial and State Child Care Associations, the League has an additional 1,200 agencies affiliated with its 25 member state and provincial child care associations.

The Child Welfare League wishes to thank you for the opportunity to come before you again on behalf of children and their families as this subcommittee undertakes extremely important and critical deliberations for the funding for a number of programs which directly affect the lives of children and their families.

Since we appeared before this subcommittee last year, more families and their children have slipped into poverty. The number of households with children under 18 which are headed by women has risen dramatically since 1970: the percentage of white families has risen from 7.8% to 15%, and the percentage of black families has risen from 30.6% to 46.5%. The final calculation for these facts is that children are suffering, that more children will have a harder time developing into strong citizens in our society, and that the programs we are here to address, have never been as important -- nor is the funding more critical if we are to stop the erosion of children's services.

P.L. 96-272, The Adoption Assistance and Child Welfare Act of 1980

In 1980, after many years of intensive work and debate, Congress passed a bill which would reform our foster care and child welfare system. The bill, which became P.L. 96-272, The Adoption Assistance and Child Welfare Act of 1980, has as its goal "permanency planning" for children. This act mandates a number of protections for children which are in fact systemic reforms of our child welfare procedures. Federal financial incentives are provided to the states for:

-- conducting an inventory of all children in foster care over six months
-- implementing a statewide management information system on children in foster care
-- implementing a case review system
-- implementing a family reunification services program, and
-- implementing a preventive services program.

In addition, beginning with Fiscal Year 1984, states must show that "reasonable efforts" have been made to prevent or eliminate the need for a child to enter foster care placement, and to make it possible for the child to return to his/her home. These reforms and the services which make them possible are funded with the assistance of Title IV-B funds from the Federal government. States also supply a 25% match for these funds, and under special provisions of the law, those states which have instituted the protections outlined, may operate their foster care program under a "cap" and transfer funds from their foster care allotment to their child welfare services program.

The two other programmatic parts of the law are AFDC, the foster care program which provides Federal assistance on an entitlement basis to AFDC eligible children, and adoption assistance which is also an entitlement program for AFDC and SSI eligible children who are defined as having special needs. Under current law, Title IV-E foster care can only be capped once the Title IV-B child welfare services appropriation reaches $266 million, forward-funded, for two consecutive years.

Current estimates indicate that the foster care population in many States is decreasing and/or that children entering foster care are staying for shorter periods of time. The children in foster care are older, and have more severe problems than the children served in the past. For example, at least one-fourth of the foster care population is handicapped. In addition, more cases of abuse and neglect are being reported to protective services in the states, often necessitating at least short term substitute care for a child. Foster care continues to be a needed service alternative for some children, and it should remain as an open-ended entitlement.

The open-ended adoption assistance program is being implemented by the States, and is having a positive impact on the child welfare system through the adoption of children who might previously have remained in foster care until age 18. Of the children free for adoption in December of 1982, it is estimated that 34% were in adoptive placements. The League believes this new program is working exceedingly well, however, it is becoming increasingly clear that if the adoptive placements are to be secure, it is imperative that more service dollars will be needed in Title IV-B and Title XX, both of which support adoption assistance with pre-and post-adoptive services. We are receiving reports from States of high levels of disruption of special needs adoption placements -- sometimes as high as 50% in programs without the pre- and post-adoptive services. It is also imperative that funds be available to assist in the recruitment of more adoptive families, especially for minority and handicapped children.

The Child Welfare League wishes to thank the Subcommittee for working to preserve this important piece of legislation. Today, however, we return to the Committee to present a special plea for a $100 million increase in Child

Welfare Services funding, as well as needed appropriations for the programs which are an integral part of the support system for children.

Resources Needed to Implement Reforms

When P.L. 96-272 was passed in 1980, numerous advocates applauded the goals, but were not quite sure how the strengthening of families would be carried out. We have come a long way since then. However, we still find that States are in the early stages of implementation by and large, and that several have not been able to achieve compliance due to cutbacks in funds -- Federal as well as State funds. What is even more disheartening is the fact that we have begun to discover the kinds of programs which do work to preserve families, such as:

- The Parent Aide program started by Child and Family Services in Hartford, Connecticut through which in-home paraprofessional services are provided to caretakers of children removed or at risk of removal from their homes because of neglect or abuse.
- The SCOH Program in Philadelphia which provides intensive counseling and concrete services to multi-problem families in their own homes. The SCOH team is comprised of a case manager who sees the family for 1 to 2 hours a week to provide family treatment, individual counseling to the parents, and couple counseling if indicated. The family care worker spends from 4 to 7 hours a week with each family reinforcing the counseling interventions and helping families use communmity resources for their medical, educational, and budgetary needs.

These are but two examples of the programs which are working but which desperately need additional funds if they are to be continued, or if their expertise is going to extend to other States, to other families, to other children. These new services are in fact a new technology of human services. They are not easy to perform, but they are cost-effective. The reforms mandated by P.L. 96-272 depend on the child welfare service funds which have never been higher than $165 million. We, therefore, ask an additional $100 million to secure the contained progress towards family support and reunification which this law intended.

Title XX - Social Services Block Grant

History

In 1974, Congress enacted a new Title XX of the Social Security Act, effective October 1, 1975, which provided a Federal funding ceiling of $2.5 billion with a 25% State-matching requirement. By FY '81, the entitlement ceiling for allocation to the States was $2.9 billion, with an additional $16.1 million available to the Territories for social services and $75 million available to the States for staff training costs related to Title XX activities.

Effective October 1, 1981, Title XX was amended by the Omnibus Reconciliation Act of 1981 (P.L. 97-35) which combined funding for social services to the States and Territories and social services staff training under a "Block Grant to States for Social Services". The Title XX ceiling was reduced to $2.4 billion for FY '82, $2.45 billion for FY '83, $2.5 billion for FY '84, $2.6 billion for FY '85 and $2.7 billion for FY '86.

In March 1983, P.L. 98-8, the Emergency Jobs bill, appropriated an additional $225 million for FY '83 with carryover provisions for FY '84. In October 1983, as part of legislation to extend the Federal Supplemental Compensation Program, P.L. 98-135, the Title XX ceiling was increased by $200 million for FY '84 to $2.7 billion and by $100 million for FY '85 to $2.7 billion.

The Title XX Social Services Block Grant is the principal Federal funding source for a full range of social services as determined by the State. As minimal Federal reporting requirements presently exist, there is limited information as to the States' current use of Title XX funds. However, information provided by States for FY '82 expenditures indicate that every State provided child day care services, protective services for children, home-based services such as homemaker and chore services and information and referral services. In addition, we know from our members that Title XX is the funding floor for the family supports needed to fulfill P.L. 96-272 mandates. It is the primary source of funds for shelter for abused children, and has been severely stretched as increased reports of child abuse and neglect have, in turn, increased the demands for Title XX funded programs.

Administration FY '85 Budget Request

While the Administration is requesting the full authorized amount of $2.7 billion in FY '85 for the Title XX Social Services Block Grant, it does so based on the assumption of zero funding for the Community Services Block Grant program and the belief that "States may fund community services activities with social service block grant funds." We strongly believe that such an assumption is not realistic given indications that States are unable to maintain an adequate and sufficient level of services under current funding levels, let alone absorb additional program responsibilities. In a 50-state survey conducted in August 1983 by the Child Welfare League of America, regarding the use of Title XX funds received under the Emergency Jobs bill, the most consistent response found was that while social services needs were greater than ever before, States were having to cut services across the board.* Every state felt that additional Title XX funds were critical to maintaining current services as well as in addressing the increased demands. Examples include:

Kentucky...has a drastic general fund problem and is losing State revenues...it cannnot continue to provide the current level of service and will have to reduce services.
Iowa...the program has not kept pace with inflation...eligibility has been greatly restricted.
Wisconsin...has already raised State taxes and cannot do so again. Services will have to be cut or eliminated.
California...expects to do a dollar for dollar cutback in activities funded because there are no State revenues to supplement Federal cuts.
North Dakota...is seeing drastic increases in child abuse and increased needs for foster care which, under present funding conditions, it cannot address.
Connecticut...continuation of job-related services will be terminated because of the lack of funds...State not able to offset any withdrawals or lack of Federal funds.
Massachusetts...will probably have to reduce or abolish services provided due to Jobs Bill allocation unless an increase in Title XX is received.
Oregon...has an urgent need for intensive family services which would allow families to stay together. All programming is frozen...barely able to maintain current services.
South Carolina: Across the board cuts have been made in the last couple of years. Day care, protective services and adoption assistance would all benefit from a restoration in social services funding.

The need for additional funding is likewise indicated by the fact that in FY '82, 27 States utilized their option to transfer money from other block grant programs into social services funding -- a transfer which totalled approximately $80 million.

*This survey was conducted jointly with the following organizations: The American Public Welfare Association, National Association of Counties; Children's Defense Fund and American Federation of State, County and Municipal Employees.

We, therefore, strongly believe that an appropriation over the current request of $2.7 billion for Title XX FY '85 funding is indicated. In this connection, bills have been introduced in both the House and Senate, raising the authorization for Title XX for FY '85 to $3 billion. And once the authorization is raised, we would urge the Subcommittee's continued support for this program by following through with an additional appropriation.

We also strongly believe that a supplemental appropriation for FY '84 of $25 million is indicated despite the Administration's failure to request the additional monies. This Supplemental would satisfy the intent of Congress when it raised the FY '84 Title XX ceiling to $2.7 billion under P.L. 98-135. We, therefore, urge the Subcommittee to address this potential shortfall in Title XX allocations to the States by providing the additional authorized amount of $25 million.

Mr. BRODNICKI. I am director of professional services at Child and Family Services in Hartford, CT. I'm here this morning as a representative of child and family services and the Child Welfare League of America to recommend an increase in funding for both child welfare services and training through Public Law 96–272, the Adoption Assistance and Child Welfare Act of 1980, for fiscal year 1985 and title XX social service block grant for fiscal years 1984 and 1985.

Child and Family Services is currently celebrating its 175th anniversary. As a multiservice human service agency, its history reads like a chronicle of the child and family welfare movements in America. The first area of concern that I wish to speak to is the need for increased funding for the Adoption Assistance and Child Welfare Act of 1980.

Child and Family Services has been providing adoption services throughout most of its existence; however, its service emphasis has shifted over the past decade from placement of infants to the placement of hard-to-place children.

These children have histories of long-term foster care, have emotional and/or behavioral disorders, and may have physically handicapping conditions. On the average, there are 2,054 children in foster care in Connecticut each month according to the Children in Risk in Connecticut publication.

Almost one-half of these children have been in care for 3 years or more. Our program costs $160,000, and 58 percent of that cost is covered by income from our agency's endowment.

The program does not receive United Way support and, in fact, the United Way recently discontinued funding of the only other private adoption service in Hartford which focused primarily on infant adoptions.

The Department of Children and Youth Services does subsidize those cases that it designates as eligible for the Permanent Placement Subsidy Program; however, not all cases are so classified. Thus, our agency is dependent on fees from potential adoptive families for income generation.

Our full fee for screening and evaluation of potential families is $4,000, but the majority pay less than one-half that amount through our sliding fee schedule. Today, many of the children in need of such homes are of color, are Hispanic, have developmental disabilities and may have a sibling in need of adoptive placement as well.

Finding families of color, who are Hispanic, or who have the special caring abilities needed is extremely difficult and becomes more problem-some when a fee is attached.

I see adoption service in the Hartford region at a critical crossroad. Unless there are adequate Federal and State dollars available to support private agency adoption services, the private sector may have to choose to discontinue this service.

Therefore, we want adoption assistance to remain as an open-ended entitlement program.

Funding support through title XX funds for parent aide services is the other concern. Initiated in 1980, our program has been maintained through agency dollars.

Parent aide services are particularly effective in situations of neglect or abuse where the goal is to eliminate the physically and emotionally damaging behaviors and maintain the child in his or her home.

In-home intervention offers the opportunity for modeling positive parenting skills, the provisions of direct support to the parents, and the presence of a very nurturing parent aide who can teach a parent far more about the direct care of a child than can be learned in weekly 1-hour in-site oriented counseling sessions.

What is of most significance for you to know, though, is that there are no Federal, State, or United Way dollars supporting this service of our agency; and, for this reason, its continuance is in jeopardy.

Connecticut had 13,148 children reported to the Department of Children and Youth Services last year as suspected victims of child abuse and neglect. However, the city of Hartford, which is the fourth poorest city in the country, has no publicly supported Parent Aide Program operating and our project is barely able to meet our own agency services caseload needs.

We have twice applied for social service block grant funding and have just received our second rejection 3 days ago from the Department of Children and Youth Services. The reason given was that although the city of Hartford needs such a program the available supplementary title XX funds were not sufficient to fund our request.

The Supreme Court ruling which requires clear and convincing evidence when requesting termination of parental rights is to be lauded from the perspective of maintaining the family unit. However, it is of questionable value when there are no in-home support services such as parent aides available to help parents modify their child management techniques.

Thus, if parent aide services are to become the viable resource they can be, I encourage you to provide for an appropriation over the current fiscal 1985 request of $3 billion for title XX, to provide for supplemental appropriation for fiscal year 1984 of $25 million, increase title IV–B by $100 million, and maintain title IV–E as an openended entitlement for foster care and adoption assistance. Thank you.

Senator ANDREWS. Thank you for an excellent statement. We appreciate your taking the time to come down.

Mr. BRODNICKI. Thank you.

STATEMENT OF JAMES G. HARRIS, JR., COMMISSIONER, STATE DEPARTMENT OF HUMAN RESOURCES, STATE OF CONNECTICUT

Senator ANDREWS. Our next witness concerning the Office of Human Development Services will be James G. Harris, Jr., commissioner of the State Department of Human Resources, State of Connecticut, Hartford.

Mr. Commissioner, good to have you here.

Mr. HARRIS. Mr. Chairman, I hope it doesn't look like Constitution State Day. We didn't plan it that way.

Senator ANDREWS. I think you got a reduced rate on a package tour out of Hartford or some such thing.

Mr. HARRIS. Well, we've been in a bad spell of weather up there and it was nice to come to Washington where it was warm.

Senator ANDREWS. Well, we brought a little of this in from North Dakota last week, although it's turning worse out there so we have to expect it here.

Again, let me assure you that your entire statement has been received. It will be in the record. You may proceed.

Mr. HARRIS. Thank you.

I'm speaking on behalf of the community action agencies of the Nation. I'm going to try to do this in about 5½ minutes.

The administration has proposed that the community service block grant be abolished and its functions be picked up under the social service block grant because its purposes and services are similar to those of the CSBG grant. I hope today that I will be able to correct this misconception held by the administration.

I'm here to request not only the continuance of the CSBG grant as a separate block, but also that the appropriation for the CSBG be increased. We all understand that the increase in the number of poor has been caused not only by the economic conditions of the country, but also by the severe cuts in funds for social programs.

Hundreds of thousands of people have been pushed off the food stamp rolls and thousands of working families who were just above the poverty line have fallen below the poverty line because some of those supports that had been given before had been removed when an additional burden had been placed on them.

The studies of the block grant show that with limited funds available with which to serve people the greatest cuts have been made in the preventive and the supportive programs; those that helped people to remain or become economically self-sufficient.

According to the Urban Institute, most block grants have concentrated their limited funds on prevention of child or adult abuse or neglect, caring for the aged and disabled, increased employment opportunity but not for training which doesn't help the ones that we are mostly concerned about, and economic development.

The community service block grant moneys become even more important to the poor because they are still being used as their legislation requires, to promote the economic self-sufficiency of the poor. Reports published by the Institute of Social Research at the University of Michigan have defined two distinct groups of people in poverty.

These are the persistent poor who depend almost entirely on welfare and, during the 10-year study, they remained on the rolls. That only makes up 2 percent of our poor.

The largest group, 13 percent, is called the temporary poor. This is the population where the family goes on welfare for a little while because something has happened to the major wage earner. He just can't take care of his family.

As I say, that is how at 13 percent, which makes up the 15 percent of people who are now at or below the poverty level in our country.

The administration claims that the CSBG funds are used both for the same kinds of services that are provided under the social services block grant and to support administrative costs for other programs for low income. Neither of these contradictory statements are correct.

Social service block grants and community service funds are not alike in the terms of the population they serve, although there is some overlap. They are not alike in the type of services they deliver. They differ substantially in the mechanism they utilize to deliver services. And their intent and purposes are not the same.

I, in the State of Connecticut, administer both grants.

Over 50 percent of the CSBG funds nationwide are used for direct program providing services to the low income. The programs, themselves, usually fall into one or two categories: to fill a gap in a program's services, or to develop an innovative approach to solving the problems of poverty.

A third function of the CSBG fund is to support the management and coordination functions of the community action agency and its programs. They generate and coordinate a $2.7 billion program that is managed nationwide.

In the State of Connecticut, out of the CSBG block grant we get about $3.9 million and the 14 CAP's in that State generate $67 million of funding, and their administrative costs are 6.9 percent, less than the 10 percent allotted. Probably the smallest, as I said, is the administrative costs.

We use that for fiscal control. More and more this is becoming the catchword in working with agencies: What kind of fiscal management do you have? Unless there is more administrative money, we're going to have more and more questions about inappropriate uses of moneys.

The administration also contends that good CAA's will be competitive without the passthrough provision. Well, we know that is not true. There is no competitive spirit in the counties that get the money. There is no appeal to a higher authority by a CAA or any other entity that they want the money.

What we know from the counties that are now receiving the money is that it becomes more and more like SSBG money than CSBG money. It seems to maintain the status quo and governments use it to maintain programs that are already running and they think are better, and there is no way that CAP's can get inside and get that money.

Mr. Chairman, I share the concern and I think the CAP's share the concern that you, Congress, and the rest of the country are worried about: the devastating effect of the budget deficit. Yet I'm going to ask for an increase in appropriations for the community service block grant.

As you know, in 1981, you and Senator Weicker and others saved the CAP's by setting up the community service block grant, although there was a 45-percent cut in that program; yet there was a 30-percent demand for services that the CAP's took on without even questioning whether or not they had the ability.

Under the bill that you're cosponsoring now, Senate bill 2374, this legislation will be able to allow authorization to establish new community action agencies, although we have had some that have been expanded over the last year. We think that anywhere from 10 to 15 percent of new community action agencies could be created, therefore, providing the country with a greater service.

There is going to be need for additional funds for that program.

I would just like to end up by saying that I know you are committed to the poor and my senior Senator is also, and that we need a strong and viable Community Action Program. We, in Connecticut, and the State government would say readily anywhere that we would not be able to provide the kind of services without the help of the community action agencies.

Thank you for this opportunity.

Senator ANDREWS. Let me point out, Mr. Commissioner, that your senior Senator is, indeed, an articulate advocate for these needs. He's been very successful in the past and he, I'm sure, will do everything he can in the weeks to come.

Mr. HARRIS. Thank you very much.

PREPARED STATEMENTS

Senator ANDREWS. Appreciate your statement. It was most helpful. Your statement will be included in the record at this point, along with other statements for the record on appropriations for the Office of Human Development Services.

[The statements follow:]

STATEMENT OF JAMES G. HARRIS

Mr. Chairman and members of the subcommittee, my name is James G. Harris, and I am the Commissioner of the Department of Human Resources for the State of Connecticut. Before my appointment as Commissioner last year, I was the Executive Director of the Community Renewal Team of Greater Hartford, Inc. I appreciate the opportunity to speak to you this morning.

The Administration has proposed that the Community Services Block Grant be abolished and its functions be picked up under the Social Services Block Grant because, as they say, its purposes and services are similar to those of the CSBG. I hope today I will be able to correct this misconception. I am here to request not only the continuance of the CSBG as a separate block grant, but also that the appropriation for the CSBG be increased.

I am not armed this morning with an arsenal of facts on the state of poverty in America. The news media has rediscovered the subject of poverty thanks to a number of reports that are being issued by the Bureau of the Census, the Congressional Budget Office, the University of Michigan, the Government Accounting Office and others. We are all getting what seems like daily bulletins on the continuous increase in the number of people in poverty and some idea of the intensity of their suffering. We understand that the increase in numbers has been caused, not only by the economic conditions of the country, but also by the severe cuts in funding for social programs. Hundreds of thousands of people have been pushed off the food stamp rolls and thousands of working families who were above the poverty line have fallen below because some support was removed or an additional burden was placed on them. I will be quoting from some of these reports today because they substantiate the need for a separate and expanded Community Services Block Grant.

The studies of block grants show that with limited funds available with which to serve people, the greatest cuts have been made in preventive and supportive programs - those that help people to remain or become economically self-sufficient. According to the Urban Institute, most block grants have concentrated their limited funds on prevention of child or adult abuse or neglect, caring for the aged and disabled, increasing employment opportunities (but no job training) and economic development. The Community Services Block Grant monies become even more important to the poor in this context because they are still being used, as the legislation requires, to promote the economic self-sufficiency of the poor.

New studies show that the greatest number of people in poverty are those in need of services that support their economic self-sufficiency - the kinds of programs funded with CSBG monies. Reports published by the Institute for Social Research at the University of Michigan, based on a ten year longitudinal study of the economic dynamics of a large sample of families, have identified two distinct groups of people in poverty. These are the "persistently poor" who are heavily dependent on welfare for periods of up to ten years. This group makes up only 2% of the population. The other type of family that receives welfare is similar to the population as a whole and has a shorter term need for support. They generally need services because a chief wage earner has lost his job, become disabled, died or otherwise departed the family. The "temporarily poor", currently at 13% of the population, is by far the larger group. Dr. Gregg J. Duncan, the chief research scientist for the study has stated:

> For the "temporarily poor", anti-poverty programs might best be viewed as a kind of economic health insurance protecting these families against the most devasting effects of a temporary economic crisis. Given time to adjust, they will recover from poverty and will once again be paying taxes to support the very programs that aided them.

Community Action Agencies provide this "economic health insurance" through their CSBG program as well as all the other programs they administer. Community Action Agencies are exactly the kind of anti-poverty program Dr. Duncan is talking about. This vital research supports the community action approach and I think HHS should be commended for funding it.

The Administration claims that CSBG funds are used both for the same kinds of services that are provided under the Social Services Block Grant, and to support the administrative costs of other programs for the low income. Neither of these contradictory statements is correct. Social Services Block Grant funds and Community Services funds are not alike in terms of the populations they service, although there is some overlap. They are not alike in the type of services they deliver; they differ substantially in the mechanism they utilize to deliver; and their intent and purposes are not the same.

Over fifty percent of CSBG funds, nationwide, are used for direct programs providing services to the low income. The programs themselves usually fall into one of two categories; to fill a gap in program service or to develop an innovative approach to solving the problems of poverty.

When we speak of filling program gaps we mean the initiation of projects that are responsive to the needs of the poor and which are not otherwise being met. Generally, priority for these programs is given to the provision of central or common services and often these are provided during periods of time when the CAA is waiting for the expansion or modification of other programs to become available in the community.

The other category of program funded by CAAs with CSBG funds is in innovative approaches to the causes and conditions of poverty. These two categories together are the "local initiative" function of CSBG based on decisions made at the community level; as close to the people and their needs as you can get.

In Connecticut, CSBG monies fund programs in housing, employment, employment training, consumer education, economic development, transportation, credit unions and others. Contrast this list with the "high priority services" designated for funding from SSBG funds in the State of Connecticut: adoption services, child day care, client-oriented coordination of services, community-based residential services, day treatment, emergency shelter services and safeguarding of protective services. The poor need everything from both these lists, but they are very different lists.

A third function of CSBG funds is to support the management and coordination functions of a Community Action Agency and its programs. These are, generally, needs assessment, resource analysis, program and policy development, program evaluation and support for the local community participation portion of a CAA. These are the monies that generate and coordinate the 2.7 billion dollars of programs that are managed by CAAs nationwide. These programs include job training, low income weatherization, low income energy assistance, Head Start, food and nutrition programs, transportation, economic development and a myriad of other programs funded from public and private sources.

Lastly, probably the smallest portion of CSBG funds underwrite the administrative costs of other programs: fiscal controls, contract compliance, personnel administration and affirmative action. Combining management and administrative funds and functions for all programs operated by a CAA has proved to be a very cost-effective procedure demonstrated by the fact that the average overhead rate for CAAs nationwide is less than 10 percent. Community Action Agencies need more money to carry on these activities. They also need the so-called pass-through to assure their continued existence.

The Administration contends that good CAAs will be "competitive" and survive without a pass-through. Mr. Chairman, to what competition do they refer? Over one-third of the states have indicated their intentions to allocate CSBG funds to county governments if there is no pass-through provision in the law. Many counties want CSBG funds and without a pass-through, counties will decide what entity will get the funds. There is no route of appeal for a CAA; there is no outside intervention. To parallel a popular phrase these days, "Where is the competition?"

When counties are the recipients of CSBG monies, they do not mount community-wide programs to address issues of poverty. The experience of the waiver states is that when counties administer CSBG money it begins to look like SSBG money. So even if, as we expect, Congress rejects the Administration's proposal to subsume CSBG under SSBG at the national level, without the pass-through, it will happen by default at the local level.

We need a continuation of the pass-through that will stand for the next three years. The Urban Institute was talking about non-profits in general when it reported the following but it is a very apt description of CAAs in states that face uncertainty year after year over their survival.

The Urban Institute found that the uncertainty about the future of non-profit agencies continues to "debilitate programs, strain agency managers and personnel and delay or inhibit planning." We applaud the fact that a pass-through provision has been included in the reauthorizing legislation.

Mr. Chairman, the CAAs share the concern of the Congress and the country about the potentially devasting effects of the budget deficits and yet, I am asking for an increase in the appropriations for the Community Services Block Grant. CSBG funds were cut by 45% in 1981 and have been held steady since that time. During this period, requests for services from CAAs has increased by 30%.

A number of states have extended the geographical areas served by each of its CAAs so that those agencies are available to many more people with no increase in funds to meet the need. As a sponsor of S. 2374, our authorizing legislation, you know the bill allows states to establish new CAAs. Our best estimate is that there could be an increase of 90 new CAAs if that legislation is enacted. In addition, other replacement CAAs created by the states will become eligible for funding under S. 2374.

At the current rate of funding, I don't know how this can be accomplished without additional damage being done to the CAAs and the programs they administer. With the initial 45% cut, CAAs cut their management and administration to the bone. There is nothing left out there to cut. Even without increases in the number of CAAs, Community Action Agencies are struggling to continue to provide quality services with limited staff and funds. We must have more money. My final quote today is from a recent report from the Advisory Council on Intergovernmental Relations and points up the fears that Community Action Agencies are expressing all over the country: that we are failing people in need and not only is that morally unjustifiable but that it will have negative effects not only on these people but society at large. ACIR states

> Budget reductions connected with the block grants have resulted in short term financial savings for the federal budget. The long term effects, however, may not be known for several years. Eventually the cost to the public purse, and perhaps to the public welfare, may be much greater than the savings. If economic conditions improve, and state legislatures commit additional funds to programs, long term negative impacts may be avoided.

Economic conditions for the states and the country are not changing fast enough to stave off the negative long term effects of the federal budget cuts to social programs.

Mr. Chairman, you have always been a friend to Community Action. We appreciate your sponsorship and the staff work that has been done on S. 2374. We know that your commitment to the poor includes a strong and viable Community Action program. As always, we trust that you will do your best not only for this program but other vital human service programs, including the Low Income Energy Assistance program.

Thank you for the opportunity to testify. I will be happy to answer any questions you may have.

April 1984

LOW INCOME ENERGY ASSISTANCE
Program Resources and Requirements For The Future

INTRODUCTION

The federal Low Income Home Energy Assistance Program (LIHEAP) has played an important role in helping millions of the nation's poor to pay for their basic energy needs. Congress appropriated $1.6 billion for energy assistance in fiscal 1980, $1.975 billion in 1983, and in fiscal 1984, $1.875 billion plus a $200 million supplemental appropriations. Residential energy prices have skyrocketed over this same period. It is appropriate, in the light of the need to reauthorize this program and the changing relationship between energy prices and household budgets, to reexamine recent trends in the current energy expenditures of low income Americans and current and future requirements for LIHEAP funding.

This analysis shows the widening gap between the federal resources devoted to low income energy assistance and the needs of the population it was intended to serve. (Figs 1 and 2 provide a detailed illustration of the growing need).

- Home energy expenditures for minimum consumption are up 106% since 1978, and 47% since the LIHEAP was created in 1980. Funding for the program has increased only 17%.

- The gap between expenditures of income spent by the poor on basic home energy and aid offered through LIHEAP is widening more each year.

- To keep the percentage of real income devoted to energy by the poor the same as it was in 1978, $4.6 billion would have been needed in energy benefits alone this fiscal year to serve the eligible population.

- 4 million households had utility service terminated for non-payment in 1982 alone.

- If energy costs grow 2% a year, the eligible population would need $7.3 billion in 1989, just to keep purchasing power constant.

PRICES

There has been an enormous increase in the cost of residential energy for all Americans since 1978. The nation's primary heating fuel, natural gas, has jumped 143 percent in price over the past five years and home heating oil prices have climbed 123 percent. Electricity for residential consumption cost 65 percent more in 1983 than it did in 1978. These compare to a rise of 53 percent in the overall Consumer Price Index over the period. These prices explain the massive change in the proportion of consumer wealth devoted to the purchase of energy since the beginning of the crisis in 1973.

There are numerous causes for these increases. Above all, the rise of OPEC and the 1974 and 1979 international petroleum supply shortages have caused oil prices to skyrocket. In the context of these crises and the world recessions that followed, our government made the difficult and painful decision that domestic controls on the price of natural gas and oil had to be eliminated in the national interest. This has intensified the rate of residential price rise.

IMPACT ON THE POOR

Most families have had the discretionary resources to somehow absorb these price increases but this is not the case for the nation's lower income households. The cost of basic energy needs for heating, hot water, cooking, refrigeration and minimal lighting has risen from $453 per household in 1978 to an estimated $942 in 1984.* Even in 1978 the typical household living at or below 125 percent of the poverty level paid a much larger proportion of its income for basic energy than did average income Americans. That proportion has risen from 11.1 percent of income for poor families in 1978 to an estimated 14.7 percent in 1984. This compares to about 5 percent for the average family. Many of the poor have lacked the income to pay for this increase and still make ends meet. Table 1 shows these contrasts in detail.

ADEQUACY OF CURRENT FEDERAL ENERGY ASSISTANCE

The Department of Health and Human Services estimates that 6.9 million households received heating assistance and 529 thousand got help with cooling under the LIHEAP Program in 1983. There is ample evidence, however, that LIHEAP resources have become inadequate.

- Not all who need help are getting it. Nearly 4 million households actually had their utility service terminated for nonpayment in 1982 according to the National Association of Regulatory Utility Commissioners. The vast majority of these wanted to continue service but lacked the ability to keep current on their bills.

- The program is reaching a relatively low proportion of those in need. Benefits were received by only 36% of federally eligible households in 1983 or 53% of state eligible households.

- Federal law permits states to transfer up to 10 percent of their energy assistance grants to other block grants. Substantial cuts in other federal programs have induced many states to transfer energy assistance funds to make up for large losses in other areas. The amount devoted to energy aid is therefore less then meets the eye.

- Partial deregulation of natural gas will occur starting in 1985 meaning that further residential price increases are highly probable. Oil prices, while steady for the moment, are only as stable as the political conditions in the Persian Gulf, which is to say, volatile in the extreme.

MATCHING NEEDS TO RESOURCES

The Congress never provided levels of federal energy assistance to cover all the energy costs of the poor. In evaluating the need for assistance it is important of keep in mind that a certain proportion of the household income of the poor has always been devoted to energy consumption and can generally be paid for out of earned or transfer income. In addition, no special provision has ever been made to help cover increasing gasoline costs, though commuting expenses have often risen substantially.

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*See technical notes for methodology.

When these transporation costs and general increases in income are discounted there still remains a substantial rise in house energy related expenditures not covered by any other income source but the Low Income Home Energy Assistance Program. To establish a reasonable standard of comparison between needs and resources, a low-living-standard budget for expenditures on essential home energy uses has been constructed.

The expenditures covered in the evaluation are lower than actual residential energy expenditures by the poor because they are a composite estimate of minimally necessary consumption. Foremost among these is the need for heat during the winter, the largest single source of residential energy consumption. In addition, basic requirements for hot water, refrigeration and cooking are covered at levels needed to sustain cleanliness and health.* (While air conditioning is also a necessity in many parts of the nation and is explicitly covered by the existing energy assistance program, its use by less than half of the low income households has precluded its inclusion in these averages.) All these recent estimates presented further understate real energy assistance requirements. Total consumption under this Basic Residential Energy Budget averages approximately 97 million BTU per household, only 85 percent of the national average residential consumption in 1982 according to DOE.

The data shown on Table 1 indicate that in 1984 $4.6 billion are required to hold eligible households near their 1978 pre-oil crisis standard of living even under the conservative assumptions outlined above. This is the amount that would be necessary to keep the percent of real income on home energy the same. If parity were to be created with the percent of income spent on home energy by the average American household an estimated $11 billion would be required!

By contrast, actual appropriations for federal energy assistance were $1.975 billion in fiscal 1983 and a total of $2.075 billion in 1984. Actual resources matched probable requirements only in fiscal 1980. Since then, the situation has substantially deteriorated. Figs 1 and 2 show the relationship between total basic home energy expenditures by the poor, the assistance levels needed to "hold harmless" or prevent erosion of, their real household budgets since 1978 and actual federal energy assistance appropriations made available to the states.

FUTURE REQUIREMENTS

In determining authorization levels for LIHEAP assistance, Congress should consider the following points:

- Participation rates for the program can and should climb. This program's 38 percent rate compares unfavorably with other welfare programs. Food stamps, for example, are distributed to 70 percent of the eligible population.

- The authorization ceiling for a five year program must make room for a variety of potential need levels given the uncertain trajectory of energy prices. The "hold harmless" program with 100 percent participation would need $9.3 billion in 1989 if prices rise 2 percent per year but $12.3 billion if real prices were to increase 4 percent.

- Flexibility for extreme weather conditions must be provided so that supplemental funding can be made available. Swings of 10 to 15 percent in temperatures, and therefore in energy consumption, can occur.

*See technological notes for methodology.

In light of these factors, a program to hold the eligible 19 million households harmless against deterioration in the percentage of income devoted to home energy since 1978 will require $3 billion in 1985. This assumes only 50 percent participation, allows 10 percent for administrative costs, and provides for a 10 percent swing in the severity of the weather.

TABLE 1

LOW INCOME HOME ENERGY EXPENDITURES AND FEDERAL ASSISTANCE REQUIREMENTS

BASIC RESIDENTIAL ENERGY BUDGET

$ P.A. Per Household
(average weighted by fuel type)

	1978	1979	1980	1981	1982	1983	1984	1989 2% P.A. growth	1989 4% P.A. growth
HEATING	$206.01	$251.76	$319.81	$376.39	$423.27	$456.67	$472.41	$521.57	$634.57
HOT WATER	$80.04	$91.98	$111.12	$129.36	$146.24	$156.95	$165.34	$182.55	$222.10
COOKING	$37.65	$42.22	$49.69	$57.44	$65.60	$70.77	$75.18	$83.01	$100.99
ELECTRICITY	$128.85	$138.71	$160.23	$185.35	$205.08	$212.55	$228.99	$252.83	$307.60
TOTAL	$452.54	$524.66	$640.86	$748.53	$840.18	$896.94	$941.92	$1,039.96	$1,265.27

EXPENDITURES AS A PERCENTAGE OF REAL INCOME

	1978	1979	1980	1981	1982	1983	1984	1989 2% P.A. growth	1989 4% P.A. growth
125% of Poverty	11.17%	11.63%	12.52%	13.24%	14.01%	14.49%	14.72%	16.25%	19.77%
LIHEAP Eligible Households	7.67%	7.99%	8.60%	9.10%	9.63%	9.96%	10.11%	11.17%	13.58%

FEDERAL ENERGY ASSISTANCE AND EXPENDITURES BY ELIGIBLE HOUSEHOLDS

($ Millions)

	1978	1979	1980	1981	1982	1983	1984	1989 2% P.A. growth	1989 4% P.A. growth
# of Households	18.321	18.622	18.929	19.236	19.548	19.864	20.186	22.467	22.467
EXPENDITURES	8291.0	9770.3	12130.8	14398.7	16423.9	17816.9	19013.6	23364.7	28426.8
FED ENERGY ASST	200.0	200.0	1600.0	1850.0	1875.0	1975.0	1875.0	?	?
Needed to keep at % of income spent in 1978	-	390.2	1309.5	2258.3	3333.7	4089.9	4589.9	7311.1	12373.2
Needed to keep at % spent by average U.S. household	-	3901.2	5360.0	6802.5	8233.4	9228.0	9988.8	13320.1	18382.1

Sources: DOE; Energy Information Administration. Residential Energy Consumption Survey, 1980-82; Monthly Energy Review, 1978-83; Short Term Energy Outlook, 1983
American Gas Association: Gas Facts, 1981. Bureau of the Census: CPS 1983, unpubl.

Fig 1

TOTAL HOME ENERGY EXPENDITURES BY THE POOR
AND ACTUAL LIHEAP APPROPRIATIONS

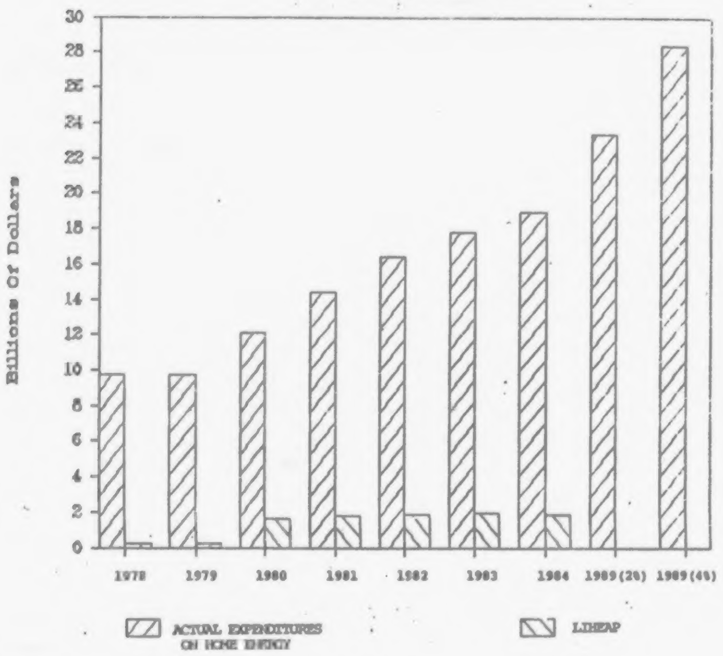
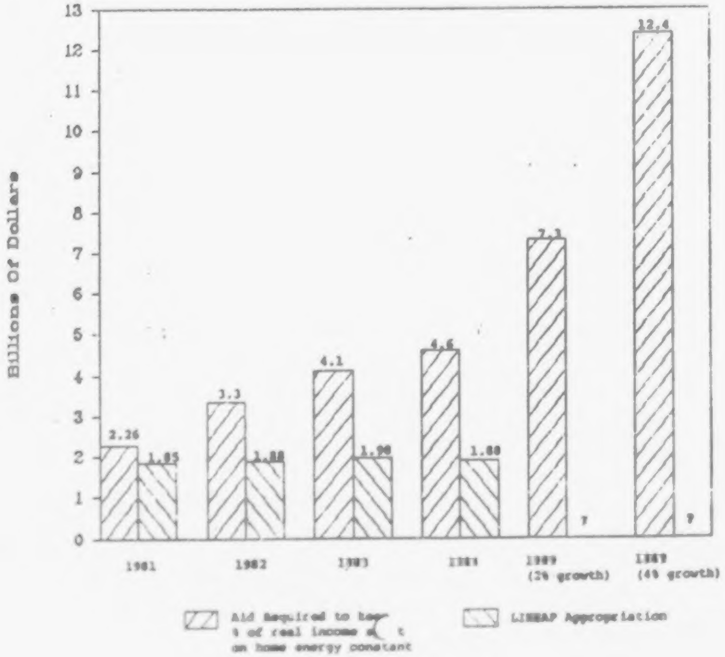


Fig 2

HOME ENERGY AID NEEDED BY THE POOR
AND ACTUAL APPROPRIATIONS



NOTES
Calculations and Projections of the Basic Energy Budget

Prices - Annual residential averages for 1978 through 1983 as reported in the Department of Energy's "Monthly Energy Review" were employed, except for 1983 home heating oil prices which were reported by the National Energy Information Center for only part of the year. Prices for 1984 were inflated using the EIA "Short Term Energy Outlook". All prices are in nominal prices.

Income - Income for eligible households as reported in the Department of Health and Human Services 1982 report on the Low Income Home Energy Assistance Program was employed, adjusted by the CPI for each year. Income is reported in nominal dollars.

Fuels - Piped gas electricity, #2 home heating oil and #6 residual fuel oil were the energy sources used in computing weighted average prices and consumption. The data was not adequate to permit the inclusion of Propane though it is used by low income households in substantial quantities.

Fuel Use Estimates - Heating consumption was derived from the 1981-1982 Residential Energy Consumption Survey (RECS), with consumption normalized for weather averages based on fuel type and census region. Average heating consumption for each fuel type discounting for hot water, air conditioning and cooking was employed and further discounted by 7 percent to allow for lower average consumption by poor households as reported in the 1982 HHS LIHEAP report. Hot water consumption was similarly derived. The average BTU consumption for hot water understates actual consumption by households with washing machines that make up approximately 55 percent of the eligible units.

Cooking consumption was based on average appliance usage reported in AGA Gas Facts 1981. Household electricity consumption is based on the use of 200KWH per month, which permits the use of a refrigerator and a few light bulbs.

Expenditures and consumption for each category of use were based on national average penetration rates for each energy source for each applicable use. All four energy sources were used for estimating heating and hot water. Electricity and gas were employed in the cooking estimate. Penetration rates were derived from RECS Housing Characteristics 1980 and DOE's "Consumption of Fuel Oil and Kerosene, 1979".

Total consumption and expenditures by eligible households are based on the 1984 HHS estimate of 19 million households eligible for the program under federal standards in 1981. Income and numbers of households at or below 125 percent of poverty were taken from the Bureau of Census poverty statistics for 1983.

LETTER FROM MARY BOURDETTE, DIRECTOR, OFFICE OF GOVERNMENT AFFAIRS, CHILDREN'S DEFENSE FUND

May 9, 1984

The Honorable Lowell P. Weicker
Chairman, Subcommittee on Labor, Health
and Human Services and Education
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The Children's Defense Fund (CDF) respectfully submits the attached Statement on Fiscal Year 1985 Appropriations for Children's Programs. We hope you will review the statement and include it in your Subcommittee's hearing record for the 1985 fiscal year.

CDF is extremely grateful for the strong leadership you have consistently exerted on behalf of children. Unfortunately, children in America are in more need of support today than ever before, as the poverty rate for children has climbed sharply in the past several years. More than 3 million additional children have fallen into poverty since 1979, while federal programs designed to provide for their basic survival needs have been cut back drastically. The desperate situation facing children today is outlined in great detail in two recent CDF publications -- American Children in Poverty and A Children's Defense Budget. A copy of each is also attached for inclusion in your hearing record.

CDF urges you to place highest priority on the needs of low income children as you begin the difficult work of marking-up the Labor/HHS Appropriation bill for the 1985 fiscal year. We are cognizant of the budgetary constraints that make careful and rational spending decisions absolutely essential. Investment of scarce resources in preventive programs of proven success represents sound budget policy, and CDF's recommendations are directed toward cost-effective preventive programs in the areas of child welfare, child mental health, Head Start, child health and education. We hope you will consider these recommendations favorably.

CDF appreciates the opportunity to work with the Subcommittee and would be happy to provide you any additional information you might need about children and children's programs. Thank you for your interest and concern.

Sincerely,

Mary Bourdette

Mary Bourdette
Director, Office of Government
Affairs

STATEMENT OF THE CHILDREN'S DEFENSE FUND

The Children's Defense Fund (CDF) appreciates the opportunity to comment on the FY 1985 funding levels for federal programs serving low income children and families. CDF applauds the Subcommittee for its outstanding work on behalf of the nation's children. The Chairman's continuing commitment to the interests of children - especially poor children - has brought vital services to hundreds of thousands who would otherwise be without. Your efforts last year were particularly commendable, and CDF is most grateful.

Like the Appropriations Committee, the Children's Defense Fund has been receiving distressing reports over the last few years about women being turned away from hospitals while in labor because they had no Medicaid card or health insurance; about sick children who could not get health care; about families breaking up under the stress of unemployment and inadequate public assistance; about parents who could not work because they could not afford child care. CDF decided to look behind the anecdotes and take an accurate picture of the poverty facing millions of children in our country, and the status of basic survival services available to them.

In January of 1984, CDF issued American Children in Poverty - a report that factually and authoritatively established the great unmet needs of America's poor children. A copy of this report is attached for your hearing record, and we hope the members of the Subcommittee will review its contents with care.

Our report indicates that America's children are in deep trouble today. As a result of economic recession, and unjust budget cuts and economic policies, American children are more likely today to suffer death and sickness, hunger and cold, abuse and neglect, and be left alone without adequate child care than three years ago. They are less likely to be born with adequate prenatal care, to be immunized, have access to preventive health and dental care, and receive supplemental education services.

Perhaps most disturbing is the fact that a growing number of children in America are poor. 3.1 million children or 3,000 per day have fallen into poverty since 1979. This overall child poverty increase of 31 percent represents the sharpest increase in child poverty since poverty statistics have been collected. Even in intact white families, child poverty is higher now than at any time since 1965.

It is against this backdrop that CDF recommends modest funding increases for a number of critically important and highly successful federal programs under the jurisdiction of this Subcommittee. CDF is cognizant of the enormous budget deficits facing Congress and the country, but programs serving poor children and families did not cause the deficits, and starving them further will not cure the crisis facing us today.

The funding reductions in programs for children pursued with such vigor by this Administration are neither humane nor cost-effective. They represent small, short term savings that will be more than offset by the long term costs of children who grow up to be chronically ill adults, or inadequately educated and trained workers, or juvenile deliquents in trouble with the law. The costs of neglect are much higher than the cost of prevention. For example:

* It costs $1500 to provide complete prenatal and delivery services to a pregnant woman, but it costs $1000 a day to provide intensive neonatal care to a premature baby.

* It costs about $10 to provide a baby with a complete series of immunizations, but it costs between $500,000 and $1 million for a lifetime of institutional care for a child left retarded by a case of measles.

* It costs approximately $500 per child per year for compensatory education services, but it costs approximately $2,441 per year to retain a child in the same grade for another year.

Modest investments in programs of proven success and cost effectiveness represent sound budget and spending policy. The House Budget Resolution adopted such a course, with modest and targeted funding increases for low income discretionary programs based upon prevention. A Children's Defense Budget: An Analysis of the Presidents FY 1985 Budget and Children further elaborates on this rational budget approach by outlining the savings that will be generated from modest investment in preventive children's programs. Below, CDF outlines a number of recommendations in the areas of child welfare, child mental health, Head Start, child health and education services. We hope to continue to work with the Subcommittee to restore funds to these vitally important, and cost-effective children's programs.

Child Welfare: CDF RECOMMENDS THAT THE CHILD WELFARE SERVICES PROGRAM BE FUNDED AT ITS FULL AUTHORIZATION LEVEL OF $266 MILLION FOR FY 1985 - A $101 MILLION INCREASE OVER ITS CURRENT FUNDING LEVEL.

All evidence indicates that the plight of abused and neglected children, emotionally disturbed children, children in foster care, and those awaiting adoption has grown much worse in the last several years. Epidemic unemployment and severe cutbacks in AFDC, Medicaid, nutrition programs, social services, housing assistance and child welfare have increased family tensions and caused too many parents to strike out at their own children or, in desperation, consider foster care. A growing sense of helplessness and hopelessness pervades many families.

Despite a firm commitment to the family and overwhelming evidence of the need for family services, the Administration proposes no positive steps to alleviate family stress. Rather it recommends that funding for the Title IV-B Child Welfare Services Program be maintained at its current level of $165 million for FY 1985, and that the $4 million Child Welfare Training program be merged with it. This proposal falls far short of the need to help states faced with increased demands for services from troubled families, to prevent unnecessary foster care, and to ensure that children in foster care are reunited with their families or provided new permanent families through adoption.

CDF urges the Subcommittee to continue its efforts to improve the Child Welfare Services Program. The modest funding increase allowed last year was an essential first step. The alarming reports of families in trouble now requires, however, that the Child Welfare Services Program be funded at its full authorization level of $266 million for the 1985 fiscal year.

The Title IV-B Child Welfare Services Program is a successful and effective program that is preventive in nature. Title IV-B provides funds for a range of support services that can help keep families together and prevent children from entering costly foster care inappropriately. The funds can also be used for services to reunify children with their families after they have been placed in foster care. Increased funding for Child Welfare Services would help thousands of families in distress. The $101 million increase recommended is a small investment to keep families intact and provide hope to hundreds of thousands of children in this country. We cannot afford to turn our backs on these particularly vulnerable children.

Child and Adolescent Mental Health: CDF RECOMMENDS THE CONTINUATION OF THE CHILD AND ADOLESCENT SERVICE SYSTEM PROGRAM (CASSP) AT A FUNDING LEVEL OF $5.5 MILLION IN FY 1985, AS PART OF THE $9 MILLION COMMUNITY SUPPORT PROGRAM.

The Children's Defense Fund is especially grateful to this Subcommittee for the recent initiation of the Child and Adolescent Service System Program (CASSP), as part of NIMH's Community Support Program. The $1.5 million provided for this program in last year's Labor/HHS Appropriation bill has promoted service system coordination improvements on behalf of severely emotionally disturbed children and adolescents.

The need for such a program is very great. As indicated in CDF's publication Unclaimed Children: The Failure of Public Responsibility to Children and Adolescents in Need of Mental Health Services, two-thirds of the estimated 3 million seriously emotionally disturbed children and adolescents in this country who need mental health services do not get them, and countless others receive inappropriate care. These disturbed children and adolescents are frequently the responsibility of the state child welfare, juvenile justice, or education agencies; yet there have been only limited attempts to get these agencies working together with the mental health agency on behalf of these youth. Too frequently, children with severe emotional problems are left unclaimed by the agencies charged with responsibility for them.

The overwhelming response by state agencies to the initiation of the CASSP program is but another indication of the need for such services. Even though it was clear that only eight to ten states could be funded with the $1.5 million available for CASSP in FY 1984, at least 42 states submitted applications to NIMH totalling $6.8 million.

But despite the evidence of need, the Administration has recommended elimination of this promising program next year. CDF urges the Subcommittee to reject the Administration's proposal, and continue CASSP in FY 1985. We recommend a funding level of $5.5 million for the program next year - a $4 million increase - because we believe this amount will be necessary to continue support for the eight to ten states funded, as well as for coordination efforts in 15 to 20 additional states currently ready to initiate such services.

CASSP is also a program that is preventive in nature. Investment of a small amount of funds in the program now will save future costs. CASSP focuses on the needs of severely emotionally disturbed children and adolescents who require services from at least two or more of the various child serving systems. State and local level liaison efforts among child serving agencies will facilitate the pooling of services and fiscal resources and the development of non-residential, residential and case advocacy services for these youngsters. In the absence of appropriate care, some of these youth are likely to become the fiscal responsibility of the adult criminal justice or mental health system - a much more costly alternative.

Head Start: CDF RECOMMENDS A $100 MILLION FUNDING INCREASE FOR HEAD START FOR FY 1985 - A $1.1 BILLION FUNDING LEVEL CONSISTENT WITH AUTHORIZATION LEGISLATION CURRENTLY MOVING THROUGH CONGRESS.

The Children's Defense Fund commends the continuing commitment of this Subcommittee and its Chairman to a strong and effective Head Start program. Project Head Start began in 1965 as an innovative federal response to the developmental, social, health, nutritional, and other service needs of low-income, disadvantaged children and their families. Since its inception, Head Start has been the subject of hundreds of studies, papers, articles and books, and the clear consensus of these materials is simply that Head Start works and it works well.

Head Start is a preventive program. Head Start children score better on standardized tests, achieve more in school and are less likely to fail a grade, drop out, or require special education classes. They are more likely to receive adequate medical care and be normal height and weight, have fewer absences from school due to illness and have better performance on physical tests.

Despite consensus on the value and effectiveness of Head Start, the Administration's FY 1985 recommendations for Head Start continue its efforts to weaken the program and must be rejected. Approximately 20,000 fewer children would receive Head Start services under the Administration's proposed funding level, because no increase is allowed for inflation. Further, the Administration's proposal to transfer food monies from the Child Care Food Program to the Head Start budget will also harm the program. Under this scheme, the food monies would no longer be indexed to reflect changes in food prices, depriving Head Start of the necessary funds to feed its children. Neither would the food monies be open-ended as is currently the practice, thus denying Head Start the ability to use CCFP funds for new children. Finally, the proposal would mean that Head Start grantees would lose the valuable monitoring and support they currently receive in meeting the Department of Agriculture's nutritional guidelines.

The Administration has proposed numerous other changes to the Head Start program that similarly dilute the program's effectiveness. These include:

* An attempt to slash training and technical assistance funds by 50 percent. Training and technical assistance funds are vital to Head Start because it is a program heavily dependent on parental involvement. Since 1965, Head Start has provided jobs for more than 415,000 Head Start parents and community residents. In 1982 alone, almost 30 percent of Head Start staff were parents of current or former Head Start students. Training and technical assistance is thus essential to the continuation of a successful program.

* The elimination of federal funds for the Child Development Association (CDA) program - which assesses Head Start programs and provides staff with professional credentials in child care. To ensure high quality programs, more than 50 percent of the states have incorporated CDA as part of their state licensing requirements for staff in child care centers.

* The elimination of a national contract for Head Start's health training, technical assistance and monitoring, with no identifiable replacement for this important support service.

* A reduction in the level and amount of monitoring of Head Start grantees.

* A reduction in the requirement for self-monitoring (SAVI) for Head Start grantees, and conversion of the mandatory self-assessment tool into an optional process.

This Subcommittee has closely monitored the Administration's efforts in Head Start and has taken critical steps to ensure that the program remain strong and successful. The Subcommittee is urged to continue its leadership role, and once again reject Administration efforts to weaken the program.

Head Start is currently available to 415,000 children - approximately 18 percent of those eligible. CDF recommends that Head Start be provided a funding increase of $100 million for FY 1985 to allow approximately 30,000 additional children the Head Start opportunity. A $1.1 billion funding level for Head Start is consistent with that recommended by the House Education and Labor Committee in HR 5145. This legislation, as well as companion legislation in the Senate - S. 2374 - also contains many provisions designed to protect the Head Start program in future years.

Head Start is an invaluable investment. The addition of a small amount of new funds in this program this year is certain to bring rewards many times over to thousands of low income children. The Subcommittee is urged to include a $100 million funding increase for Head Start in the Labor/HHS Appropriation bill this year.

Maternal and Child Health Block Grant: CDF RECOMMENDS A FUNDING LEVEL OF $478 MILLION FOR THE MATERNAL AND CHILD HEALTH BLOCK GRANT FOR THE 1985 FISCAL YEAR. THIS IS THE SAME LEVEL AT WHICH THE PROGRAM WAS FUNDED IN FY 1983, AND IS CONSISTENT WITH REAUTHORIZATION LEGISLATION CURRENTLY MOVING THROUGH CONGRESS.

American Children in Poverty, as well as A Children's Defense Budget, provide ample evidence of the deteriorating state of health care for low income women and children in this country. As the number of women and children in poverty increases, the availability of health services has been decreased. Public health clinics and hospitals are the backbone of the health care system for Medicaid recipients and poor people who have nowhere else to go. These programs have become less able to respond to the needs of poor patients these last few years.

This is most clearly the case with Maternity and Infant Care projects funded under Title V Maternal and Child Health Block Grant. These clinics provide comprehensive prenatal, delivery, and postpartum care to pregnant women and primary care for infants. Yet funding for maternity and infant care clinics has been drastically cut in the past three years. A survey of maternity and infant care projects in 11 states revealed the damage - about 90 percent of the clinics either had their funding frozen (equivalent to a 20 percent cut in light of inflation in the cost of medical care) or had their budgets reduced. Only two of the 26 projects interviewed were still able to cover hospital costs for most of their clients in need. Over 30 percent of the clinics are no longer able to provide well-child care to infants, and some of the clinics no longer provided any medical care to pregnant women. Although 84 percent of the projects reported an increasing demand for services, 50 percent had been forced to turn away patients.

CDF found that the results of service cutbacks were staggering. Our research indicates that over the past three years there has been a disturbing nationwide decrease in the percentage of women receiving prenatal care during the first three months of pregnancy, and a rise in the percentage of women receiving late or no prenatal care. In 1982, two-thirds of the states responding to our survey showed an increase in the percentage of women receiving late or no prenatal care compared to 1981. Over three-fourths of the states reflected this increase among nonwhite women. In 10 states, the rate of late or no prenatal care among nonwhite women was the worst it had been in five years.

Equally disturbing is the increasing infant mortality found in many areas. Between 1981 and 1982, 20 states showed increased death rates for some or all infant populations. National nonwhite infant mortality rates remain unacceptably high, with nonwhite infants still far more likely to die than white infants.

At the current rate of progress, a majority of reporting states will not meet the Surgeon General's 1990 goals for reduction of infant mortality. Those that do will do so in the costliest rather than in the most cost-effective way - by saving premature babies through expensive neonatal intensive care rather than by producing healthier babies through adequate prenatal care.

Preventive health care is a wise investment of scarce resources. The Maternal and Child Health Block Grant is a successful and effective program in desperate need of additional funding. CDF urges the Subcommittee to increase funding for this program by $79 million for FY 1985, in order to begin to reverse the alarming and costly deterioration in health care for low income women and children.

The Subcommittee is also urged to carefully review funding for the Community and Migrant Health Centers, as well as the immunization program. Every effort must be made to fund these programs up to their full authorization levels in an overall strategy to meet the increasing need for basic preventive health services in this country.

Compensatory Education for Disadvantaged Students: CDF RECOMMENDS A FUNDING LEVEL OF $4.0 BILLION FOR THE CHAPTER I COMPENSATORY EDUCATION PROGRAM FOR THE 1985 FISCAL YEAR. THIS $520 MILLION INCREASE WOULD CONTINUE TO RESTORE FUNDING TO THIS HIGHLY SUCCESSFUL PROGRAM.

Since its inception, the Compensatory Education Program has helped millions of poor and minority students overcome their problems in reading and mathematics - giving them the opportunity to remain in and succeed in school. Numerous studies commissioned over the last decade by the Department of Education have demonstrated the effectiveness of Chapter I/Title I.

Despite its proven success, the Chapter I program has never been fully funded. Even at its peak, it served less than two-thirds of the eligible students. Moreover, less than one in five of the students served were in secondary school. Recent reports, however, demonstrate that secondary school students could benefit greatly from compensatory education services.

From the 1979-1980 school year through the 1982-1983 school year, federal funds to local school districts for compensatory education programs declined by 27.7 percent when adjusted for inflation. The number of students receiving reading or mathematics assistance under Chapter I declined by 750,000 - a decline of 14 percent.

This Subcommittee clearly recognized the short-sighted treatment of Chapter I, and increased funding for the locally-administered compensatory education programs by $450 million since FY 1982. Despite this increase, however, funding for the 1984-85 school year will nevertheless be 22 percent below the 1979-1980 school year unless additional funding in recommended.

The Administration does propose an increase of about 1 percent in funding for local school districts. CDF recommends that the Subcommittee carefully review and reject this proposal for a number of reasons. First, the increase proposed would not even account for the inflationary increases expected in the program. Second, the increase is proposed at the expense of cuts in the state-run migrant program which would decrease the number of migrant students served by 50,000. We trust this Subcommittee will not agree to take money from migrant students in order to fund other poor students. Rather, we urge the Subcommittee to provide the Chapter I compensatory education with a funding increase of $520 million for the 1985 fiscal year, so that school districts can continue to close the gap caused by budget cuts in past years.

Education for the Handicapped: CDF RECOMMENDS THAT THE EDUCATION OF THE HANDICAPPED PROGRAM-P.L. 94-142 - BE FUNDED AT A LEVEL OF $1.35 BILLION FOR THE 1985 FISCAL YEAR.

When it was passed in 1975, the Education for All Handicapped Children Act (PL 94-142) promised federal government support for 40 percent of the per pupil costs of educating a handicapped child. It also promised to extend educational services to over 4 million handicapped children who were receiving little or no such services.

While the Act has meant great strides in the education of handicapped children, the federal government has fallen far short of its promises. The actual contribution of the federal government for handicapped education has never exceeded 12 percent. Thus the quality and scope of services provided have proved to be far less than envisioned by the original Act. Moreover, like Chapter I, programs under PL 94-142 have been concentrated in elementary schools. Secondary schools provide few services for handicapped students, resulting in disproportionately high drop-out rates for these students.

Since FY 1980, funding for this program has increased by almost $200 million - but that amount is still 9.1 percent below the level required to keep pace with inflation. During this time, the number of students being served under this program has increased, while the per pupil contribution has declined from 12 percent to 8 percent.

This year, the Administration proposes a 2 percent reduction for this program. This would cut funding for the deaf-blind centers by 20 percent, and deny services to 6,000 deaf-blind children. Further funds would be reduced for personnel development by one-third, for research, development and demonstration grants by 20 percent, and for evaluation grants by one-third.

CDF urges that the Subcommittee reject the Administration's proposals for Education of the Handicapped, and continue its efforts to improve this highly successful program. A modest funding increase is necessary this year to reverse the recent pattern of service reductions.

Bilingual Education (Title VII): CDF RECOMMENDS THAT THE BILINGUAL EDUCATION PROGRAM BE FUNDED AT A LEVEL OF $190 MILLION FOR THE 1985 FISCAL YEAR.

Studies have consistently found that local bilingual education projects have succeeded in helping limited-English proficient students, despite the controversy surrounding this program. The achievement scores in reading and mathematics of these students have risen as a result of bilingual education projects. Bilingual education has also succeeded in reaching these students, improving their self-esteem and thereby helping to keep them in school.

It is unfortunate that federal, state and local bilingual education programs have never served more than one-third of the students in need of such help. Since 1980, the federal Bilingual Education program has been cut by almost 40 percent in real dollars. In the 1980-81 school year, the federal Bilingual Education program served 325,000 students. For the 1984-85 school year, it is expected that only half that number will be served. Training for bilingual education teachers has also declined, despite persistent evidence that most school districts suffer a shortage of skilled bilingual education teachers.

The Administration's recommendations for FY 1985 are to increase funds for local bilingual education programs by 12 percent, while further decreasing the teacher training program by 15 percent. This is a counter-productive effort that will only undermine the long term capacity to help limited-English proficient students. The failure of bilingual education programs due to a lack of qualified teachers would only serve to reinforce the claim of some that these programs do not work.

CDF urges the Subcommittee to restore the funds cut from this important program over the last three years. It is a valuable and successful program and deserves support.

Special Education Programs: For the fourth time, the Administration has recommended the elimination of the Women's Equity Act,and Title IV of the Civil Rights Act which provides Desegregation Training and Advisory Services. Congress has three times rejected these proposals and we urge similar action this year.

The Administration insists that these programs can be supported under Chapter II of ECIA. In fact, reports on state and local use of this block grant money demonstrates that they do not spend these funds on equity or desegregation efforts. Between FY 1980 and FY 1982, these two programs suffered severe budget cuts. Given the significant benefits that have nevertheless resulted from the modest investment in these programs, the Subcommittee should move toward restoring the funds previously cut. Both programs provide valuable support to local efforts to promote race, cultural and sex equity. CDF RECOMMENDS THEY BE ADEQUATELY FUNDED IN FY 1985.

STATEMENT OF RICHARD M. MANDEL, VICE PRESIDENT, LOCAL 2677, FEDERATION OF GOVERNMENT EMPLOYEES

PREPARED STATEMENT

Senator ANDREWS. Our next witness is Mr. Richard Mandel, the vice president of local 2677 of the Federation of Government Employees.

Mr. Mandel, we're glad to have you here. As I told the other witnesses, your statement will appear in its entirety. The reason for clipping along at what seems to be a rapid rate is the fact that we don't want to have some of these witnesses have to turn around and come back the next day.

I remember 17 or 18 years ago sitting in the Appropriations Committee I had a chairman by the name of John Rooney, who was a tough chairman. He was a good Brooklyn Democrat.

When it came to the period of outside witnesses he said, "The amount of our," shall we say, "reaction to your plea is in inverse ratio to the amount of time it takes you to make your plea."

Mr. MANDEL. Speak very rapidly. [Laughter.]

Senator ANDREWS. Good to have you here.

[The statement follows:]

STATEMENT OF RICHARD M. MANDEL

I appreciate the opportunity to appear before you today to discuss generally the appropriation for fiscal year 1985 for the Community Services Block Grant Act and specifically address the need to reestablish a regional office structure for the Office of Community Services (OCS), the entity established by the Omnibus Reconciliation Act of 1981.

The community services block grant program, which the administration is once again attempting to end, is the last bastion of hope for many millions of less fortunate citizens who seek assistance from the network of community action agencies across the country in order to help them "help themselves". These community-based organizations, both public and not-for-profit, have been engaged in this effort for nearly nineteen years. In some areas of the country, these agencies are the only source of help. In times of natural disasters, the local community action agency is often there first, offering whatever assistance is possible. An end to the community services block grant program would force a great majority of these agencies to close their doors. This would be unconscionable in view of the five million newly impoverished persons. (The poverty rate has soared to 15 percent of the American people -- the highest rate in 17 years.)

When the Office of Community Services was established as a successor to the Community Services Administration, the mission of the regional offices was to provide oversight for the administration of the Federal funds awarded to the various grantees under the block and discretionary grant programs and to effect the closeout of former Community Services

When the Office of Community Services was established as a to the intent of Congress, did not allow the regional offices to engage in any activities others than closeout of the CSA grants and, in some regions, awarding of so-called "transition" grants for those states who did not take advantage of the block grants at the start of the program.

Studies by the General Accounting Office have cited the need for oversight and proper monitoring of block grants. In the case of the community services block grant, we have gone from one center of operations, Washington, D.C. under CSA, to fifty, under the states. Where there wasone bureaucracy, if you will, there are now fifty. All of the other block grant programs maintain regional operating staffs to provide oversight and technical assistance to the grantee agencies.

For over seventeen years the regional office of the Office of Economic Opportunity and the Community Service Administration provided needed information and assistance to the grantees. These same grantees are now denied that level of assistance. The management of OCS has consistently underspent its administrative budget by over fifty percent. The discretionary grant program under OCS is woefully undermonitored, according to staff members still at work in the program. Regional coordination will enhance the new initiatives undertaken by OCS in the areas of food and shelter programs.

One example of the impact of the reorientation of OCS on poor people would be migrant workers. When the administration recommended that the Office of Community Services be eliminated, they offered no viable alternatives for addressing the needs of one of this nation's most economically distressed working population - migrants and seasonal farmworkers. Although the Department of Labor (DOL) operates a large employment, training and housing support program for migrants and seasonal farmworkers, (Job Training Partnership Act-402), it in no way duplicates HHS' Discretionary Program.

The eligibility criteria of these two programs differ. The JTPA 402 definition for farmworkers is more rigid than that of HHS. Consequently, these programs compliment each other very well, and maintains that "safety net" so often alluded to by the Administration.

JTPA DEFINITION

To be eligible for JTPA, an individual has to meet certain guidelines established by the Department of Labor. The first of these guidelines is:

1. Farmworkers or their dependents are the only persons eligible for this program. There are two types of farmworkers:

a. Seasonal Farmworker - a person who, during the period of eligibility, has worked at least 25 days in farmwork or earned at least $400 in farmwork; and who has been primarily employed in farmwork on a seasonal basis, without a constant year-round salary.

b. Migrant Farmworker - a seasonal farmworker performing during the eligibility period such that he or she is unable to return to their permanent residence at night.

A dependent of a farmworker is defined as any person for whom the farmworker has assumed at least 50% of their support and is:

a. A member of the immediate household or a parent or child or relative who is unemployed because of a mental or physical disability.

b. A member who may be claimed as a dependent on the Federal Income Tax Forms.

A common-law spouse may be considered a dependent. Both categories of farmworkers (migrants and seasonals) must have received at least 50 percent of their earned income or have been employed at least 50 percent of their total work time in farmwork during the period of eligibility.

The period of eligibility is any consecutive months out of the previous 24 months. If the individual has been in the armed forces, jail, prison, hospitalized or mentally or physically disabled, the 24-month period may be extended to a period not longer than 24 months plus the amount of time the person was in that status.

If these guidelines are met, the total income (earned and unearned) must be below established Federal Guidelines for the period of eligibility.

Any person in this country illegally is not eligible for JTPA. Offshore or H-2 workers are not eligible.

The individual must have registered for the draft.

HHS/OCS DEFINITION

The HHS/OCS criteria are based on the more general definitions of:

Migrant Farmworker - an individual who works in agricultural employment of a seasonal or other nature and is required to be absent overnight from his permanent place of residence.

Seasonal Farmworker - an individual who works in agricultural employment of a seasonal or other temporary nature and is not required to be absent overnight from his permanent place of residence.

The HHS/OCS program fills the gap as it can serve those persons not eligible for the JTPA 402 Program.

Thus the HHS/OCS program was able to"fill the cracks" in the DoL program. Together the two programs were able to provide a minimum safety net for migrant workers

The changes in the HHS/OCS program for FY83/FY84 began tearing holes in this safety net. The HHS/OCS criteria were intentionally moved closer to the DOL criteria.

This was just another in a series of planned steps to remove the justification of OCS regional offices and OCS itself. The change certainly wasn't mandated by any Federal legislation. Initially the OCS programs addressed the hunger issues for migrants and although this need continues to exist, it is not being addressed. Philosophically, the Department of Labor recognizes the extent of employment problems endured by migrants and seasonal farmworkers. Equally important, DoL understands the impact of such employment problems on the national economy. Consequently, DoL responds to farmworker needs by addressing employment needs but to the virtual exclusion of providing direct assistance.

Further DOL advocates the removal of farm workers from the farm. Whereas, the Discretionary Program does not advocate removal of the agricultual labor force and does provide for minimal direct assistance by housing and other groups. This is effort that must of necessity be beefed up.

Farm workers do not generally participate in the major public assistance programs offered through the Federal government, with the exception of limited participation in the WIC and Food Stamp Programs. Few Federal programs exist that address farmworker needs. One of the more responsive programs was the discretionary program under HHS/OCS.

The Discretionary Program funded a limited number of programs for the expressed purpose of improving their quality of life and advancing them toward self-sufficiency. OCS regulations promulgated on Wednesday, March 23, 1983 says,"...OCS recognized the special needs of migrant and seasonal farmworkers and is adapting congressional guidance in this area."

For this reason, I recommend that OCS continue to adapt congressional guidance in this area and strive to keep the Discretionary Program in place.

Without an OCS regional presence, the farm worker and other grantee agencies cannot receive the needed oversight and technical assistance.

In these days of greater demands and shrinking resources in the area of "people" programs, the utilization of a small group of Federal employees in the field to ensure that funds are properly administered and to provide assistance to the grantees of the funds is well worth the cost involved, and it will result in a more efficient program.

Local 2677 urges that this committee include provisions in the fiscal year 1985 appropriations bill for the Department of Health and Human Services which mandate the Office of Community Services to reopen the regional offices which were closed in September, 1983, and authorize such funds as may be required to accomplish it.

Thank you again for your invitation to testify.

Mr. MANDEL. I am appreciative of the opportunity to appear before you today to discuss generally the appropriation for fiscal year 1985 for the community services block grant and specifically for the reestablishment of a regional office structure for the Office of Community Services, which is the entity established by the Omnibus Reconciliation Act of 1981, to administer it.

The Community Services Block Grant Program, which the administration is again seeking to repeal, is the last bastion of hope for many millions of less fortunate citizens who seek assistance from the network of community action agencies across the country in order to help them help themselves.

These community-based organizations, both public and nonprofit, have been engaged in this effort for nearly 20 years. In some areas of the country, these agencies are the only source of help.

In times of natural disasters, the local community action agency is often there first offering whatever assistance is possible. An end to the Community Services Block Grant Program would force the majority of these agencies to close their doors despite what the administration would have you believe.

These funds are the glue which holds the agencies together, just as were the administrative funds from the Community Services Administration. This would be unconscionable in view of the enormous increase in the number of citizens living below the poverty line during the past several years.

When the Office of Community Services was established as successor to the Community Services Administration the mission of the regional offices, as published in the Federal Register on October 6, 1981, was to provide oversight for the administration of Federal funds awarded to the various grantees under the block and discretionary programs, and to effect the closeout of former Community Services Administration grants.

The management of the agency, however, did not allow the regional offices to engage in any activities other than the closeout of the CSA grants and, in some regions, awarding of so-called transition grants for those States who did not take advantage of the block grants at the start of the program.

Studies by the General Accounting Office have cited the need for Federal oversight and monitoring of block grant programs. The Omnibus Reconciliation Act requires it. In the case of the community services block grant we have gone from one center of operation under the Community Services Administration to 50 under the States. Where there was one bureaucracy, if you will, there are now 50, each one with its own set of rules and regulations.

Other block grant programs maintain regional operating staffs to provide oversight, technical assistance, and program continuity and consistency to grantee agencies. For over 17 years the regional offices of the Office of Economic Opportunity, the Community Services Administration, and to some extent the Office of Community Services provided needed information and assistance to the grantees.

I can speak with some authority regarding this as I was employed in a regional office in Chicago throughout those 17 years until I was separated from Federal civil service when OCS management closed the regional offices in September of last year.

The same grantees are now being denied that level of assistance. The management of the Office of Community Services has put up roadblocks preventing success of the program by underspending the administrative budget significantly, closing the regional offices which severely limited accessibility of grantees to Federal assistance, almost total lack of monitoring with a $31 million Discretionary Grant Program, and ignoring the intent of Congress by failing to increase the central office staff from 55 to 70 persons as was in last year's act.

In these days of greater demands and shrinking resources in the area of people programs, the utilization of a small number of Federal employees in the field to insure that Federal funds are properly and consistently administered and to provide assistance to the grantees of the funds is well worth the small cost involved. The result will be a more effective and efficient program.

Last week, I attended a conference at which most of the community action agencies in region 5 were represented. Many of the directors expressed to me their sorrow that the regional office was no longer there to provide supportive services they need.

We urge this committee to include specific language in the 1985 appropriations bill for the Department of Health and Human Services which will mandate the Secretary to reopen the regional offices of OCS that were closed in September 1983 and to authorize such funds as may be required to accomplish it.

Mr. Chairman, this program has been working for nearly a score of years to assist the less fortunate in getting a hand up, not a hand out. We must not abandon it or the people it serves.

We must make it better. We need it now more than ever. Thank you very much.

Senator ANDREWS. Thank you very much for an excellent statement.

Senator Burdick, do you have anything?

Senator BURDICK. No; thank you.

STATEMENT OF DR. GENE BOTTOMS, EXECUTIVE DIRECTOR, AMERICAN VOCATIONAL ASSOCIATION

ACCOMPANIED BY DR. LARRY SULLEN, PRESIDENT, STATE DIRECTORS' ASSOCIATION OF VOCATIONAL EDUCATION

PREPARED STATEMENT

Senator ANDREWS. Our next witness is Dr. Gene Bottoms, the executive director of the American Vocational Association. He will be the first witness testifying to the needs for vocational adult education.

Welcome to the committee, Dr. Bottoms. Glad to have you here.

Dr. BOTTOMS. Thank you, Senator Andrews.

[The statement follows:]

STATEMENT OF DR. GENE BOTTOMS

Mr. Chairman and members of the subcommittee, I am Gene Bottoms, Executive Director of the American Vocational Association, the professional association for the nation's vocational educators. Our members are approximately 50,000 teachers and administrators who work daily to train our citizens for productive careers.

We deeply appreciate the support you have shown for vocational education over the years. We need your continued support.

At a time when the nation's need for vocational education has been the greatest, we have seen a substantial erosion in federal support for these programs. This committee made possible an appropriation of $784 million in 1980, but since then federal support has deteriorated. This year, vocational education is receiving only $742 million in federal funds, a significant decline from the 1980 appropriation. Our programs would require more than $1.1 billion in fiscal year 1985 to provide the same level of services they did in 1980 and keep pace with inflation.

We cannot realistically expect to receive that much federal money. Yet the need persists.

Despite unemployment rates that remain high in many areas and among many groups, Nation's Business reported in March 1984 that the biggest worry of small firms is finding competent help. Thirty-nine percent of the businesses surveyed said that finding competent help is of major concern to them; an additional 35 percent said the problem is of some concern. In a recent article in the Futurist, Fred Best, president of Pacific Management and Research Associates, said that up to 45 percent of the existing jobs in the United States will be significantly altered by technological changes in this decade and the next. General Motors predicts that in the year 2000, 50 percent of its work force will be categorized as "skilled trades" workers; in 1980 only 16 percent of its work force could be categorized that way.

Further, at a time when minorities and disadvantaged young people are making up ever-larger percentages of our secondary and postsecondary students population we are seeing a decline in the emphasis the federal government is placing on vocational and technical programs at those levels.

Coupled with that very severe problem is another problem that has surfaced within the last year. In too many places, the response to the Nation at Risk report has been quickly to call for a one-track, information-centered, academic curriculum. Such a route will leave our youth ignorant of the connection between knowledge and its application to technology. Rather than forging forward with an agenda to correct and improve the quality of secondary vocational education, some communities have responded to the report by removing this important program from their curriculums. Great Britain made the same mistake in 1964, and that nation is attempting now to make up for its mistakes. The United States has had an advantage: In the last 20 years our vo-tech programs have been developed and expanded. Still, if federal support continues to falter, we could stand by and watch our vocational education capacity erode, taking with it the educational bridge that connects knowledge, technology and application.

The House of Representatives has passed reauthorizing legislation and the Senate is considering similar legislation that sharpens the federal role in modernizing and improving the quality of secondary and postsecondary vocational education while further targeting federal dollars to provide supplementary services to the special populations that need them. That legislation, with increased federal funding, would provide a way for Congress to send a signal to the American people that vocational and technical education is important to the individual and to a strong national economy.

The reauthorization legislation that has passed the House and is now being considered in the Senate must provide support that transcends local, state and regional lines to provide insightful leadership for vocational programs of quality. We trust that this committee will be the force that provides this strong support.

Vocational education leaders have told us about the problems federal funding cuts have caused in their states. "The federal money is the quality money, the risk money, the money that promotes change," one Ohio official told us. "The state doesn't make up for that." Ohio has lost money for support, leadership and teacher education services. In Florida, cuts have affected staff development, technical updating, and in the upgrading and replacement of equipment.

In several states, the federal funding cuts since 1980 have been particularly damaging because of the states' own gloomy budget situations. A regional vocational education director in Kentucky told us that with his state on a continuing budget for the last three years, the increasing costs of utilities and salaries are coming out of vocational education funds, which then cannot be used for updating equipment and modernizing training programs. In Wisconsin, state funding cuts have led to a decline in services to the disadvantaged as well as to limits on equipment and facility improvements. Proposition 2 1/2 in Massachusetts has caused the Worcester Vocational School Department to eliminate programs in metallurgy, chemical technology, patternmaking and fashion design, and that department now has waiting lists for more than half its programs.

Failure to replace outdated equipment was the one effect of funding cuts mentioned most frequently by respondents to a formal survey of vocational education resources that AVA conducted within the last year. On a five-point scale, with a score of five defined as "has occurred to an extensive degree," the equipment replacement problem received a score of 4.3. Forty-four percent of the respondents said it was an extensive problem, and an additional 29 percent said it was a problem they had experienced frequently.

It is of the utmost importance that our vocational students be exposed to state-of-the-art equipment in their classrooms and shops. We cannot send our students into a high-tech world with low-tech skills; that would defeat the purpose of vocational education. But vocational educators from around the nation are telling us that their equipment is becoming obsolete and cannot be replaced because of limited funding.

Other results of funding cuts that survey respondents have experienced with some frequency were these:

- New vocational programs have not been developed even though there is a definite need for them.
- Persons who could profit from vocational education were not served.
- Funds have not been available to replace equipment.
- Less costly vocational education programs have been emphasized while more expensive, more technical programs have been avoided.
- The number of state leadership staff has been reduced.
- Staff development activities have been reduced.
- Support services (guidance, counseling, placement and the like) for students have been reduced.
- Instructional materials have not been revised.
- Research activities have been reduced.
- Students have had to pay more of the cost of vocational programs.
- Support services for students with special needs have been reduced.
- The number of local leadership staff has been reduced.

Of the 442 people who responded to the survey, 87 percent said their schools had not had adequate funding in the last three years. This phenomenon has occurred despite attempts to increase private sector support for vocational education. While we welcome the participation of business and industry, we feel very strongly that their support cannot be a substitute for strong federal leadership in vocational education.

The Job Training Partnership Act, which went into effect last October, has provided for the greater involvement of the private sector in training unemployed people for immediate jobs in the labor force. While many of the vocational education leaders around the nation are optimistic that JTPA will be more effective than the old Comprehensive Education and Training Act, they are careful to point out that the new JTPA money in no way makes up for cuts in federal funding for vocational education. A local administrator from Wisconsin explained it this way: "JTPA goes to a different audience, to creating training opportunities for unemployed people. But it doesn't go for support services. Those unemployed people are not the same type of people as the handicapped, disadvantaged and minorities traditionally helped with federal funds."

On the other hand, the effective system of vocational education delivery in this nation has made it possible for JTPA to succeed. As one Ohio official put it: "If the vocational education delivery system weren't already in place, JTPA wouldn't work. It will work because the system is in place." If that system collapses because of a decline in federal leadership, the partnership we are working so hard to develop will crumble along with it.

Increased federal funding for vocational education is needed:

- To ensure that all potential participants in vocational education programs can gain access to the programs.
- To ensure that the vocational education system provides modern programs of quality that are in step with the changing demands of the workplace and with advancements in technology.

Our national approach to providing educational access for members of special population groups must be based on the same standards of excellence that we set for all other groups. Equity cannot be achieved without this commitment, yet the costs of providing supplemental services are high. The federal government must provide this extra support for the handicapped and the disadvantaged, and for women and other minorities. With this extra federal funding, these groups can partake of the opportunities offered to others.

But it is important, too, for the federal government to continue to play an active part in ensuring that vocational education programs across the board are providing the kind of opportunities that will lead vocational students to productive employment.

Starting up new programs in tune with the needs of a changing workplace demands expensive equipment and instructional resources, yet these are the areas cited most frequently as problems by respondents to the AVA survey. It is critical that national support be made available immediately for this purpose so that vocational education programs can continue to fulfill their responsibilities to students and to employers.

Again, it is the responsibility of the federal government to provide support for the assessment of changing needs and for innovations in programs that can meet those needs. "We need the federal money to develop new programs, for the front-end cost of setting them up and trying them out," one local school administrator in New Mexico pointed out.

Another state official told us that there is "still a task ahead of us in making sure all of our curriculum is up to the state of the art. This is an area where federal support can give leadership to the states."

Vocational education must have modern programs of quality for those enrolled in secondary and postsecondary programs who are learning skills for the first time. And it is of equal or greater importance that up-to-date equipment and curriculums are made available to adults who must be retrained for new occupations when their skills become obsolete. Harvard University economist James L. Medoff, in a study funded by the National Institute of Education, shattered the myth that private industry is doing this job on its own. Medoff reported that only 4.5 percent of employees age 17 or older receive organization-sponsored training each year, and the gross average amount of training per employee is only 10 hours.

While changes in the workplace are creating an increasing demand for vocational education and training programs to prepare workers to enter the labor force, changes are also taking palce in the way Americans live. The size and shape of the American family is changing as economic and social pressures cause more single heads of households to juggle child-rearing with careers, and to purchase more with less. Vocational consumer and homemaking education has a vital role to play in ensuring a sane response to these changes, but it, too, requires federal support. Clearly, federal dollars must be invested in these vital programs.

To purchase the same level of vocational education programs that we had in 1980, we would require an appropriation in 1985 of $1.102 billion. We realize, however, that serious economic concerns face our nation, and we come to you today to ask you to support an appropriation of $900 million for vocational education in 1985.

We realize how critical it is to contain our nation's runaway deficit. But we firmly believe that an appropriation of $900 million for vocational education will be money well spent. It will be an investment in the future.

Workers who are adequately prepared to fill the jobs that exist are people who will make their own way in this society, without depending on the government to meet their basic needs.

The vocational education community is committed to providing a chance for success to any one who needs vocational education or training to become a productive member of our society. We are committed to working closely with business and industry in this endeavor.

We hope you will support us.

Dr. BOTTOMS. I'm Gene Bottoms, executive director of the American Vocational Association. We represent approximately 50,000 teachers and administrators who prepare our youth and adults for employment.

I'd like to establish a little bit of a western connection here. I have with me today the president of the State Directors' Association of Vocational Education, Dr. Larry Sullen, who is director of vocational education at Idaho, but he received his preparation in North Dakota.

Senator ANDREWS. We train nothing but the best.

Dr. BOTTOMS. He is the best. He was assistant State director of vocational education there for a number of years.

Senator ANDREWS. Unfortunately, he couldn't stand that 40 below weather. So he had to leave. [Laughter.]

Dr. BOTTOMS. Move to a warmer climate.

We appreciate the opportunity to appear before both of you North Dakotans because your record has been very supportive of vocational education over the years. I just want to say thank you for that support.

Senator ANDREWS. Well, if we forget we have a few people back in the state that remind us. [Laughter.]

And your compatriot knows of those people, having worked with them. They're very effective. They're also very excellent friends.

Dr. BOTTOMS. The point I'd like to make with you this morning is to share with you a little bit of what has happened in this field since 1980. In 1980, we had a Federal appropriation of $784 million. This year, that appropriation is $742 million.

If you convert the 1980 appropriations into current dollars, it would be $1.1 billion to have the buying power of what we had in 1980. There has been an erosion of Federal support in the last 4 years for this aspect of education at a time when that support should have remained strong.

Let me just share with you four facts. In March the Nation's business reported that the biggest problem of small employers was finding competent people at a time of very high unemployment. We still have a mismatch between people and jobs.

Second, the tax bill is driving major changes in the workplace in technology that's changing job content. General Motors states in 1980, 16 percent of their work force was skilled; by the year 2000, 50 percent of their work force will be skilled.

The folks that are being displaced are the operatives, not the skilled work force of this Nation.

Third, at the time we've had this deemphasis on the portion of youth who are minority and disadvantaged increased, almost double in proportion in the Nation's secondary schools.

Fourth, while it was not the intent of the Nations at Risk report to strengthen the academic curriculum on the back of secondary vocational education, I'm afraid that's what happening across the country because we're increasingly getting the reports of major cutbacks in vocational offerings at the secondary level.

I hope we do not do what Britain did in 1964 when they eliminated secondary vocational education and are now trying to put it back in to correct some major problems they have in that country, for vocational education is that aspect of education that connects knowledge and technology and application.

It seems to me that this year the Congress, who over the history of this century have on several occasions reestablished the importance of this aspect of education, can send another such signal. The House has passed a new bill, the Senate is scheduled to mark up a reauthorized bill on May 2 in full committee that will give emphasis to target groups and to modernize the Nation's Vocational Program.

If you couple that with a significant increase in appropriations it can help to reestablish an emphasis in this Nation that vocational and technical information is extremely important.

Let me just recapture for you, we just surveyed 442 persons who run vocational programs in secondary schools and community colleges across the country. Their No. 1 problem is to keep the current programs up to date with the changing requirements of the workplace. Their second problem is the lack of dollars to develop new programs for their jobs.

Waiting lists are increasing. They've had to cutback in efforts to upgrade their staff in the new content of the workplace. This is an area where, because of the economic scale, you do not buy your instruction materials from textbook companies. You have to develop them.

They have had to cut back in efforts in developing instructional materials. An increased amount of support has had to be borne by the students. And there have been cutbacks in services to special target groups.

Basically, the Federal role, as we see it in the reauthorizing legislation, is to assist in creating access for target groups; and, second, to help modernize this Nation's programs of vocational and technical education for this decade and the next.

Our request would be simply this: That you recognize that certainly there has been erosion since 1980. Our request would be that with new legislation that you consider a $900 million appropriation for 1985 for this field.

It will be an investment in the future. It will provide the basis for a renewed emphasis on the quality of vocational and technical education, both at the secondary and postsecondary level.

Thank you for giving us this time to appear before you.

Senator ANDREWS. Thank you very much.

Senator Burdick?

Senator BURDICK. No questions.

STATEMENT OF DR. GARY A. EYRE, EXECUTIVE DIRECTOR, AMERICAN ASSOCIATION FOR ADULT AND CONTINUING EDUCATION

Senator ANDREWS. Our next witness is Dr. Gary Eyre who is the executive director of the American Association for Adult and Continuing Education.

Doctor, glad to have you here.

Dr. EYRE. Thank you, Senator. I'm very pleased to see the Senators from North Dakota because I need to thank you for a lovely Thanksgiving dinner last year. I was hunting there and got some pheasants and brought them home. We had turkey, pheasant, and ham last year.

I want to thank you and the game warden in North Dakota.

Senator ANDREWS. Were you hunting on opening day?

Dr. EYRE. No; couple of days later?

Senator ANDREWS. Well, if you had hunted on opening day you would have been soaked. It rained steadily. I have never been so wet. We darn near had to step on the pheasants to get them to get up. [Laughter.]

Dr. EYRE. Well, it was good hunting, sir.

Senator ANDREWS. We left the sicklies that couldn't move on that day so that we could have them for you.

Dr. EYRE. Well, we were out in the sunflower seeds. Oh, they were thick.

Senator BURDICK. You said you wanted to thank the game warden. Did you have any trouble?

Dr. EYRE. No; he helped us. The State director of vocational education's assistant happens to be a friend of the game warden, so that helped us. [Laughter.]

Senator ANDREWS. Well, it's good to have a friend.

Dr. EYRE. Yes; in that business.

PREPARED STATEMENT

Senator ANDREWS. We will insert your statement in the record before you proceed.

[The statement follows:]

STATEMENT OF DR. GARY A. EYRE

I am pleased to present this 1985 appropriation request on behalf of The American Association for Adult and Continuing Education (AAACE). The Association has a membership of 6,000 adult and continuing education professionals which work with over 21 million adults involved annually in adult and continuing education programs.

Our Association recognizes the desire of the Congress to trim the Federal deficit by $150 billion over the next three fiscal years both by raising taxes and cutting programs. We strongly believe, however, that a freeze on spending or cuts in the Federal Adult Education Act is not an appropriate place to make cuts or sustain level funding in light of the needs of some 61 million adults in our nation who have less than the completion of their secondary education; 23 million adults are functionally illiterate.

Illiteracy makes us, as a nation, all losers. An illiterate adult earns 42 percent less than a high school graduate. American industry wants employees with basic literacy skills. One-fifth of our nation's adults cannot make informed decisions because they can not READ or compute the most basic of math problems.

Adults are wage earners, adults are consumers, voters, policy makers and many are parents responsible for a learning environment at home. No longer is a child-centered educational system sufficient to meet the educational needs of each member of society.

Few can argue that education should not be the responsibility of the individual state. However, certain problems are evident across all states and create the need for a concentrated effort with a National and Federal priority for solving problems of concern to all states. Our nation's educational system was built upon the assumption that a free and enlightened electorate could be developed through education. As we have grown as a nation, demands for an enlarged educational system have grown likewise. More and more we are accepting the realization that learning is a continuous lifelong process and that there must be a comprehensive system that provides for the education of adults. Equality of educational opportunity is a right to which all Americans can aspire. A significate part of that opportunity must be directed at the illiterate adult or marginally educated persons beyond compulsory school age.

In 1980 the Congress provided $100 million for the state grant program and, in addition, another $22.6 million for special adult populations ($17.6 million for Cuban and Haitian refugees--$2.5 million, Indochina refugees--$2.5 million, adult immigrants). The $122.6 million represents the highest appropriation level reached in the adult education program. The authorization for appropriation in the legislation is $290,000,000 (P.L. 95-561, Title XIII, Part A, Section 315). Appropriations have never reached the 50 percent level of the authroization.

In light of the pressing needs for adult basic education, the present delivery system which is in place, and the precedent of a previous $122.6 million level, the American Association for Adult and Continuing Education strongly recommends a Fiscal Year 1985 appropriation of not less than $180 million.

Presently the Adult Education Act has a $95,000,000 allotment to the states. On July 1, 1984, the level of funding will be increased to $100,000,000 which is less than the Federal appropriation in 1980.

In order to maintain the equivalent level of program services offered in 1980 and to assist in meeting the growing needs of the adult population who are educationally disadvantaged, the Act would require a minimum appropriation of $180 million. This figure is based on Consumer Price Index (CPI) calculations using 1980 as the peak year of funding.

Presently the $95 million Federal appropriation serves over 2.3 million adults each year. The median cost per adult was only $98 per year. That figure equates to an adult student involved approximately three hours per day/night, two days/nights per week for two 15-week sessions. Without doubt, this is one of the most cost effective Federal/State/Local partnership programs in the totality of education.

Allotments to states for Fiscal Years 1965 through 1984 totaled $1,254,623,292. State and local matching funds (though only a 10 percent match is required by Congress) have added over $600,000,000. The match is now slightly over 50 percent. The program has provided educational opportunities to an estimated 27 million educationally disadvantaged adults.

71 percent of the participants were in the program at a competency level of 0 to 8 grades of education. Clients in programs at the secondary level (grades 9 - 12) represented 29 percent of the participants thus dispelling the concern that the program was "creaming" the easy-to-recruit and the student closest to obtaining an adult high school diploma or equivalency certificate (GED).

Minorities comprise 56 percent of the total participants; 81.5 percent of the adult students in the program are in the labor market age of 16 to 44 years with another 12 percent in the age bracket of 45 to 59 years of age.

Nearly 50 percent of the participants upon entry into the program were unemployed.

Two years ago 117,236 participants in the program obtained a job while another 75,000 obrained a better job or salary increase and 28,000 were removed from public assistance roles.

The total number of agencies, institutions, and organizations providing adult education (ABE) and support services averages 635 per state.

Business and industry together with local educational agencies provide over 25 percent of adult education programs. Churches, voluntary/community organizations, manpower and job training agencies, technical schools and labor unions contribute as providers. These organizations, associations, and agencies are very often funded under provisions of Sections 306 and 310 of the Act.

The Federal/State/Local adult education program has a proven workable record. The record in not blemished. The need is apparent. As an example, in the State of Connecticut there are 759,125 adults who have less than the completion of high school (1980 census). 30% of the 9th graders entering high school in Connecticut do not graduate and, unfortuately, significant numbers of those graduating from high school do not have the necessary education skills to obtain employment or compete for entry into postsecondary education.

Connecticut's Adult Education Act allotment in FY '84 is $1,219,745. With an eligible population of 759,000 adults, at the median cost of $98.00 per adult, the dollar need in Connecticut alone is $74,382,000. That level of funding is certainly not realistic nor is it fair to assume that all three-quarters-of-a-million Connecticut adults who are eligible will or need to participate in the Adult Education Act program. It is logical, however, and conservative to assume that 10% of Connecticut's adults need adult basic education and are requesting those educational services. With a 10% factor in mind the funds needed in the state are $7,350,000.

Attached as Appendix A is the allotment table for each state and column four contains the 1980 census figures for the eligible population by state.

The American Association for Adult and Continuing Education recognizes the outstanding efforts of state education agencies and the U.S. Department of Education in breaking the bonds of adult illiteracy in the United States. These efforts must be continued as a partnership thrust between Federal and State and Local agencies and organizations. The status quo or curtailment of a federal presence in adult basic education would be a step backward, a step toward ignorance when a step forward to solve adult illiteracy is now needed.

A $180 million Federal FY 1985 appropriation will be funds well invested in upgrading the educational level of adults who do not have the skills needed to compete in society. Adult illiteracy is recognized as a handicap and a result of society failing individuals who, in turn, fail society.

AMERICAN ASSOCIATION FOR ADULT AND CONTINUING EDUCATION

APPENDIX A

ADULT EDUCATION
COMPARISON OF STATE ALLOTMENTS AND MAXIMUM AMOUNTS ALLOWABLE FOR STATE ADMINISTRATION

FISCAL YEARS 1984 AND 1985

State or Territory	COMPARISON OF STATE ALLOTMENTS			1980 CENSUS ELIGIBLE POPULATION	COMPARISON OF MAXIMUM AMOUNTS ALLOWABLE FOR STATE ADMINISTRATION		
	FY 1984	FY 1985	AMOUNT OF INCREASE		FY 1984	FY 1985	AMOUNT OF INCREASE
Total:	$95,000,000	$100,000,000	$5,000,000	61,205,719	$4,523,809	$4,761,905	$238,096
Alabama	1,925,288	2,027,174	101,886	1,259,800	77,239	82,838	5,599
Alaska	240,095	245,265	5,170	[illegible]	50,000	50,000	-0-
Arizona	1,018,958	1,068,829	49,871	616,630	50,000	50,000	-0-
Arkansas	1,226,460	1,288,240	61,780	[illegible]	50,000	52,643	2,643
California	7,701,939	8,135,355	433,416	[illegible]	308,989	332,443	23,454
Colorado	918,090	962,172	44,082	545,061	50,000	50,000	-0-
Connecticut	1,219,745	1,281,139	61,394	[illegible]	50,000	52,352	2,352
Delaware	358,911	370,901	11,990	[illegible]	50,000	50,000	-0-
Florida	3,930,125	4,147,071	216,946	[illegible]	157,670	169,466	11,796
Georgia	2,639,472	2,782,346	142,874	1,766,608	105,891	113,698	7,807
Hawaii	430,891	447,012	16,121	199,329	50,000	50,000	-0-
Idaho	429,768	445,824	16,056	[illegible]	50,000	50,000	-0-
Illinois	4,393,598	4,637,144	243,546	3,011,391	176,264	189,492	13,228
Indiana	2,176,349	2,292,644	116,295	1,437,961	87,312	93,687	6,375
Iowa	1,090,449	1,144,422	53,973	662,372	50,000	50,000	-0-
Kansas	879,866	921,754	41,888	517,976	50,000	50,000	-0-
Kentucky	1,932,301	2,034,590	102,289	1,265,777	77,521	83,142	5,621
Louisiana	1,968,393	2,072,753	104,360	1,236,389	78,969	84,701	5,732
Maine	546,564	569,323	22,759	281,445	50,000	50,000	-0-
Maryland	1,701,677	1,790,730	89,053	1,101,119	68,269	73,176	4,907
Massachusetts	1,995,679	2,101,605	105,926	1,309,752	80,063	85,880	5,817
Michigan	3,424,486	3,612,414	187,928	[illegible]	137,385	147,618	10,233
Minnesota	1,397,549	1,469,147	71,598	805,300	56,067	60,035	3,968
Mississippi	1,310,780	1,377,399	66,619	822,726	52,586	56,286	3,700
Missouri	2,121,229	2,234,360	113,131	1,398,846	85,100	91,305	6,205
Montana	384,760	398,233	13,473	166,593	50,000	50,000	-0-
Nebraska	623,518	650,693	27,175	336,023	50,000	50,000	-0-
Nevada	390,132	403,913	13,781	170,408	50,000	50,000	-0-
New Hampshire	442,721	459,521	16,800	207,724	50,000	50,000	-0-
New Jersey	2,867,685	3,023,657	155,972	[illegible]	115,047	123,559	8,512
New Mexico	597,121	622,782	25,661	317,291	50,000	50,000	-0-
New York	6,802,303	7,184,087	381,784	[illegible]	272,897	293,571	20,674
North Carolina	2,938,791	3,098,843	160,052	1,979,014	117,900	126,631	8,731
North Dakota	377,990	391,075	13,085	161,784	50,000	50,000	-0-
Ohio	4,097,674	4,324,236	226,562	[illegible]	164,392	176,706	12,314
Oklahoma	1,289,704	1,355,113	65,409	808,170	51,741	55,375	3,634
Oregon	925,619	970,133	44,514	532,404	50,000	50,000	-0-
Pennsylvania	4,740,345	5,003,792	263,447	3,257,454	190,175	204,475	14,300
Rhode Island	551,451	574,490	23,039	286,882	50,000	50,000	-0-
South Carolina	1,626,090	1,710,805	84,715	1,047,480	65,236	69,910	4,674
South Dakota	388,982	402,697	13,715	169,689	50,000	50,000	-0-
Tennessee	2,287,251	2,409,911	122,660	1,516,661	91,761	98,479	6,718
Texas	5,901,267	6,231,341	330,074	4,081,231	236,749	254,638	17,889
Utah	482,222	501,288	19,066	236,755	50,000	50,000	-0-
Vermont	314,497	323,937	9,440	116,722	50,000	50,000	-0-
Virginia	2,358,691	2,485,451	126,760	1,567,357	94,627	101,566	6,939
Washington	1,295,356	1,361,090	65,734	812,181	51,968	55,620	3,652
West Virginia	1,050,749	1,102,444	51,695	628,200	50,000	50,000	-0-
Wisconsin	1,740,179	1,831,441	91,262	1,128,441	69,813	74,840	5,027
Wyoming	273,236	280,308	7,072	89,452	50,000	50,000	-0-
Dist.of Columbia	399,238	413,542	14,304	176,847	50,000	50,000	-0-
Puerto Rico	1,923,766	2,025,564	101,798	1,258,720	77,178	82,773	5,595
American Samoa	139,265	139,265	-0-	9,817	25,000	25,000	-0-
Guam	244,720	244,720	-0-	21,142	25,000	25,000	-0-
No. Mariana Is.	72,375	75,064	2,689	5,705 *	25,000	25,000	-0-
Trust Territory	283,804	311,904	28,100	33,490	25,000	25,000	-0-
Virgin Islands	209,836	229,047	19,211	22,895	25,000	25,000	-0-

*FY 1984 maximum allowable for State administration on a nationwide basis = $4,523,809 (5 of 105 parts x $95,000,000). State computations for FY 1984 based on $50,000 minimum for States and $25,000 for Insular Areas, or 4.0118% of FY 1984 allotment, whichever is greater.

**FY 1985 maximum allowable for State administration on a nationwide basis = $4,761,905 (5 of 105 parts x $100,000,000). State computations for FY 1985 based on $50,000 minimum for States and $25,000 for Insular Areas, or 4.0864% of FY 1985 allotment, whichever is greater.

11/28/83 * 1970 CENSUS

Dr. EYRE. Gentlemen, our association recognizes the desire of Congress to trim the Federal deficit by $150 billion over the next 3 years both by raising taxes and cutting programs; but we strongly believe, however, that a freeze on spending or cuts in Federal education support, and particularly in adult education, is not appropriate and that we need to go far beyond sustaining level funding in light of the needs of some 61 million adults in our Nation who have less than a complete secondary education, and in that number is another 23 million who are functionally illiterate.

As Dr. Bottoms indicated a few moments ago, his level of funding for vocational education has decreased since 1980 and so has ours. We were at $122.6 million in 1980 and to sustain that level of funding, if you compound the Consumer Price Index calculations from 1980 which was our peak year, it would drive a need of about $180 million in our program.

Presently, the $95 million appropriation that we have serves over 2.3 million adults in this Nation and the median cost is only $98 a head. If you equated that to time for an adult student, that's 3 hours a day, 2 days a week for two 15-week sessions; only $98.

Without doubt, our association feels that's probably the most cost-effective partnership program is in the totality of education.

My original statement was addressed to Connecticut so what you're going to read is Connecticut, but I've converted it in the last 10 minutes to North Dakota.

Senator ANDREWS. That took a great deal of perception on your part.

Dr. EYRE. It was fast.

The Adult Education Program really has a proven workable record and there is really need, and I want to translate that to North Dakota. In North Dakota, there is, for the size of your State, 162,000 adults who have less than completion of secondary education and 26 percent, 1 out of every 4 young people who enter the ninth grade never walk out the door of a high school. Twenty-six percent drop out and we pick those individuals up in adult education.

The North Dakota Adult Education Act allotment is $750,000. With an eligible population in your State of 200,000 individuals who have less than a completion of high school, if you took that times the $98 it would cost to serve those individuals that would drive about $15.8 million needed to meet their needs.

Well, that level of funding is certainly not realistic nor is it fair to assume that the quarter of a million individuals in North Dakota who can participate in the program would want or need to be participants in adult basic education.

But it is logical from your records in North Dakota that 20 percent of that eligible population is in need of adult basic education and they are, in fact, requesting those services. With the 20-percent factor in mind, then, out of your eligible population the State's needs exceed $3 million.

I've attached in the statement there a State allotment that shows North Dakota in terms of the number of eligible population in the 1980 census, the cost factors associated with the program. You're welcome to look at that.

The American Association for Adult and Continuing Education recognizes the outstanding efforts of North Dakota and other State agencies and the Department of Education in trying to break the bonds of adult illiteracy in this country. These efforts must be continued in a Partnership Program between the Federal, State, and local agencies and numerous organizations.

The status quo or the curtailment of Federal assistance in adult basic education would be a step backward, a step toward ignorance, when a step forward is really needed to solve illiteracy in this country. A $180 million Federal fiscal year 1985 appropriation will provide funds to upgrade the educational level of adults who do not have the skills to compete in society.

Adult illiteracy is recognized as a handicap and a result of a failing of society's individuals who, in turn, then fail society.

I want to thank you for this opportunity. If I or my association and staff can provide you additional information relative to the totality of the problem in the Nation or, particularly, North Dakota we would welcome that opportunity.

Senator ANDREWS. Thank you very much, Doctor. We'll be in touch with you if we need that information.

Dr. EYRE. Thank you very much.

Senator ANDREWS. We appreciate your coming.

Dr. EYRE. You're welcome.

STATEMENT OF LILYAN H. AFFINITO, PRESIDENT, SIMPLICITY PATTERN CO., AND MEMBER, AMERICAN HOME SEWING ASSOCIATION

PREPARED STATEMENT

Senator ANDREWS. Our next witness is Lilyan Affinito, the president of Simplicity Pattern Co. That's a familiar name around our house.

Ms. AFFINITO. Well, I'm happy to hear that, Senator.

Senator ANDREWS. It's good to have you here.

Ms. AFFINITO. Good to be here.

Senator ANDREWS. Let me again assure you that your statement will be in the record as though you uttered every word. You may summarize it in any way you want.

Ms. AFFINITO. Thank you very much.

Senator ANDREWS. Keep in mind my friend John Rooney's words that "The amount you get is in inverse ratio to the amount of time you take talking about it."

Ms. AFFINITO. Well, thank you very much, Senators. It's very nice to be here.

[The statement follows:]

STATEMENT OF LILYAN H. AFFINITO

Mr. Chairman and members of the Subcommittee, I am Lilyan H. Affinito, President of the Simplicity Pattern Company and a member of the American Home Sewing Association. I am appearing before you today on behalf of the over 600 corporate and retail members of the American Home Sewing Association.

Our association is the only organization which represents the entire home sewing industry in the United States, including such areas as fabrics, fibers, patterns, notions, trimmings, sewing machine manufacturing, retailing, wholesaling and publishing. Today the sewing industry generates over $3.5 billion in sales annually through 20,000 retail stores serving over 40 million home sewing consumers. In addition, over 45,000 educators, junior and senior high school teachers, college professors, extension home economists and retail educators are actively engaged in sewing skill development. All of these businesses and all of these people -- manufacturers, wholesalers, retailers, educators and consumers -- are the beneficiaries of educational programs that have taught sewing skills to millions of Americans and which, in turn, have created job opportunities for them and have enhanced the quality of their family life.

Mr. Chairman, last year the American Home Sewing Association was privileged to testify before your Subcommittee. My industry colleague, Earle K. Angstadt, Jr., President and CEO of the McCall Pattern Company and President-elect of the association, appeared before you regarding the funding levels for consumer and homemaking vocational education appropriations. At that time, the association recommended the continuation of federal funding support for the consumer and homemaking education grant program at $43.5 million in fiscal year 1984. We also requested retention of this program as a specific line item within the Vocational Education Act, which provides for grants to states in several program priority categories including "clothing and textiles." The administration had proposed to consolidate this program into a block grant, ignoring specific line-item program requirements.

Mr. Chairman, the American Home Sewing Association appreciates your efforts, and those of this Subcommittee, in recommending $31.6 million in fiscal year 1984 for consumer and homemaking education grants and for preserving this important line-item program within the Department of Education's Fiscal year 1984 Appropriations legislation.

This year, we are again faced with another effort by the administration to eliminate consumer and homemaking education line-item grants, and instead rely on a block grant program. In its fiscal year 1985 budget request to the Congress, the Department of Education proposed to consolidate consumer and homemaking education in an overall vocational education block grant and "not support continuation of consumer and homemaking education as a discrete categorized program." The Department requested no funds for fiscal year 1985 for this line-item program, which we feel would produce a drop in the amount of funding available to states for consumer and homemaking, perhaps a decrease of as much as the full $31.6 million appropriated in fiscal year 1984.

The continuation of federal funding support of the consumer homemaking education grant program is of great concern to our sewing industry constituency. If consumer homemaking education, as one of the smaller items in Vocational Education Appropriations, losses its identity in the budget process, then there is real concern that it will disappear entirely as a program which has meant so much to generations of Americans. It is to this specific concern that I will address my remarks today.

The administration, in its fiscal year 1985 budget request, indicated that in 1981-82 there were approximately 3.1 million enrollments in federally supported consumer and homemaking education programs. Among the most popular programs were homemaking, food and nutrition, and clothing and textiles. The latter category represented 9 percent of all enrollments, or about 280,000 participants around the country. How can the administration advocate obliteration of a national program which has proven over the years to be popular with students, educators, and consumers?

While clothing and textiles represent a modest portion of the consumer homemaking education program, clothing is a basic necessity of life and so sewing and clothing-related programs take on an economic importance to our society that far exceeds other desirable but less fundamental programs. Sewing skills enable people to lower their expenses for clothing and to obtain income through utilization of their sewing skills by performing part of full-time sewing related work. People do not need extensive facilities or equipment to make clothes. Since sewing is a learned skill, however, people need to be taught the basic skills necessary to transfer design concepts and fabric into useful products either for their own use or for sale to others. Given the problem of high unemployment in some areas, the importance of providing programs that will serve the special clothing needs of targeted population groups through vocational education is critical.

A good illustration of the importance clothing and textiles can contribute to vocational education may be found in several examples relating to grants under the consumer and homemaking education program. For example, the City of Higganum, Connecticut received a one year outreach grant for a program entitled "Alter-Ego" for the period from Fall of 1981 to Spring, 1982. This program provided an opportunity for teenagers at the Haddam-Killingworth Regional High School in Higganum to learn fabric design techniques from the art department and sewing procedures from the home economics department, while at the same time working with senior citizens and the community to alter clothes and do minor tailoring. I understand that every week during the program it was not uncommon to see 4 adults working with an average of 15 students to design and sew dolls, aprons, shirts, blouses, jackets, vests, coats, seminole shawls and bermuda bag covers.

Another example is the program in the Henry James Junior High School in Simsburg, Connecticut, which provided 7th graders who participated in a clothing class with the opportunity to design and make canvass belts and bags. This successful class also taught business techniques along with the principles of sewing to give students the ability to sell their merchandise in the community. Incidentally, our association publicized this Connecticut sewing program in its "Sewing By Satellite" teleconference which was seen last November by over 6,000 home economics teachers across the nation.

Several years ago, the Home Economics Department at Pensacola Junior College in Pensacola, Florida, recognized that the handicapped, the culturally disadvantaged, and other adults had a growing need for more consumer education. The college found that due to the fuel crisis and spiraling inflation, many adults were being deprived of such valuable information, and as a result designed an outreach program which featured the use of an automobile "consumer-information" van. Funding was found through a consumer and homemaking education grant. The program developed a self-contained mobile classroom, using sewing machines manufactured by the Viking Sewing Machine Company, which is a member of our association and which worked closely with the college in this program.

Mr. Chairman, these examples illustrate not only the importance of consumer and homemaking education within the context of vocational education, but underline the present need for clothing and textiles to remain as a specified part of a line-item consumer and homemaking program. The sewing industry has been making efforts to provide adult educational programs and our association maintains a close relationship with vocational education personnel around the country in the area of clothing and sewing instruction. Our association's Teacher's Service Division provides a communications network with over 40,000 home economics teachers throughout the country, and many of our corporate members maintain extensive in-house education departments which are active in consumer homemaking programs.

As I already mentioned, the sewing industry has conducted teleconferences via satellite. Our most recent involved over 60 cities with a combined audience of 6,000 home economic teachers and consumers. Its purpose was to impart information about new products, new sewing and teaching techniques, new ideas as to how courses in sewing and textiles could strengthen the quality of life and enhance the earning capacity of students. Our association also provides videotapes of the most recent teleconference to educators across the nation for classroom use.

Although the industry is devoting money and solid efforts to the maintenance and expansion of sewing skills among consumers, the decision to eliminate the specific line-item of consumer homemaking in the budget would be most harmful to our efforts. In the legislative process, we urge that every effort be made to provide grants to states which shall be used to extend, expand, and improve consumer homemaking education. If adequate funds are provided for these grant programs, a greater portion of the population will benefit from he courses targeted.

Numerous careers in fashion, retail merchandising, fashion design, interior design, pattern making, sewing machine repair and textile design, as well as tens of thousands of vocations in the garment industry, are based on sewing skills. If we are to hold true to the goal of lowering unemployment, then we must continue to provide people with opportunities to learn skills that allow them to obtain jobs, earn extra income, and make their own clothing--a basic necessity of life.

In summary, the American Home Sewing Association urges that:

1. The line item for consumer homemaking education be preserved;
2. The direction and program priorities encompassed in Subpart 5 of the Vocational Education Act, and specifically Section 150 (b), which provides for grants to states in several categories including "clothing and textiles," be preserved, and
3. A $31.6 million funding level be established for consumer and homemaking education, for fiscal year 1985.

Ms. AFFINITO. Besides being the president of Simplicity Pattern Co., I'm a member of the American Home Sewing Association and I'm really appearing here today on behalf of the 600 corporate and retail members of that association.

We represent the entire home sewing industry in the United States which generates about $3.5 billion annually in sales and serves about 40 million home sewing consumers in this country. In addition, there are 45,000 educators that are involved in the home sewing business.

Besides those we have, of course, the manufacturers, the wholesalers of our products, retailers; and all of these people are beneficiaries of the educational programs that have taught sewing to millions of Americans over the years and, in turn, have created job opportunities and have improved the quality of the family life of many of these people.

Last year the American Home Sewing Association did appear before this subcommittee to recommend the continuation of the Federal funding support for the Consumer and Homemaking Education Grant Program. At that time, it was $43.5 million for fiscal year 1984.

We also, at that time, requested the retention of this program as a specific line item within the Vocational Education Act, which provides for the grant to the States in several program priority categories including the one we're most interested in, of course which is clothing and textiles.

We appreciated the efforts last year of the subcommittee in recommending $31.5 million in fiscal year 1984 for the consumer and homemaking education grants and for representing the important line item program within that Department of Education's appropriations legislation.

This year we again face the same problem and we ask your support in the effort to overcome the administration's request for the elimination of the consumer and homemaking education line item in the appropriations program.

The continuation of the Federal funding support of the Consumer and Homemaking Education Grant Program is, of course, of great concern to our home sewing constituency. If the consumer homemaking education, as one of the smaller items in the vocational education appropriations, loses its identity in the budget process there is real concern among those in our industry that it will disappear entirely as a program.

Therefore, it is to this specific concern that I would like to make my remarks today.

In 1981–82, there were 3.1 million enrollments in the federally supported consumer homemaking education programs. Among the most popular programs were homemaking, food and nutrition, and clothing and textile.

Clothing and textiles represent 9 percent of the enrollments, and that represents about 280,000 participants. Now, the administration has advocated the obliteration of this program and we're asking why.

While clothing and textiles represent a modest portion of the Consumer Homemaking Education Program, clothing is a basic necessity of life and so sewing- and clothing-related programs take on an economic importance that far exceeds other desirable but less fundamental programs.

Sewing skills enable people to lower their expense for clothing and to obtain income through utilization of their sewing skills by performing part-time or full-time work. People do not need extensive facilities to make their own clothes. Since sewing is a learned skill, people need to be taught the basic skill necessary to transfer their design concept into basic fabrics and useful products.

The problems of high unemployment in some areas and the importance of providing programs that will serve the special clothing needs of targeting population groups through this program is critical. A good illustration of the importance of clothing and textiles is to be found in just two examples relating to grants under the Consumer and Homemaking Education Program.

For example, in Connecticut an outreach program entitled the Alter-Ego provided an opportunity for teenagers in Higganum, CT, to learn fabric design techniques from the art department and construction techniques from the home economics department while at the same time working with senior citizens and the community to alter clothes and do minor tailoring.

We understand that every week during the program it was not uncommon to see four adults working with 15 students to design products.

This example not only shows the importance of consumer and homemaking education within the context of vocational education, but it underlines the present need for clothing and textiles to remain as a specific part of a line item Consumer and Homemaking Program.

The sewing industry has been making its own efforts to provide adult education and many of our members have been working with teachers throughout the country over these many years. We have participated in a Selling by Satellite Program in 60 cities which had an attendance of 6,000 home economics teachers to provide them with new information.

I'm here today on behalf of the American Home Sewing Association and of all of our members to urge that the line item for consumer homemaking be preserved; that the direction and the program priorities encompassed in the act, which provide for grants to States in several categories, be preserved; and that a $31.6 million funding level be established for the Consumer Homemaking Program in 1985.

Thank you very much, Senator, for having me here.

STATEMENT OF DR. ROBERT E. TAYLOR, EXECUTIVE DIRECTOR, THE NATIONAL CENTER FOR RESEARCH IN VOCATIONAL EDUCATION

PREPARED STATEMENT

Senator BURDICK [presiding]. Our next witness will be Dr. Robert E. Taylor, executive director of the National Center for Research in Vocational Education.

[The statement follows:]

STATEMENT OF DR. ROBERT E. TAYLOR

It is urgent that national program improvement efforts be continued and enhanced so that vocational education in every state and community will improve its capacity to assist in the nation's economic development. In a time of shrinking and constrained fiscal resources, it is essential that we share the output of research and development from investments made in both state and federal program improvement efforts.

Mr. Chairman, it is this overarching national program improvement endeavor that has provided our country over the past decade and a half with leadership and essential support in training for a skilled workforce. Through our joint efforts, vocational programming is more responsive to both national priorities and local needs, and we are making progress in achieving quality, labor market relevance and equity.

I urge you, therefore, to maintain or hopefully increase the appropriation for Programs of National Significance. I call your attention again to the statement of the National Association of State Directors of Vocational Education in 1982 urging that the Congress maintain the National Center's budget at $5.5 million, and offering to give up $1 million dollars of their own state grants. Their position in this regard has not changed. On March 8, 1984, House Bill 4164 cited as the "Vocational-Technical Education Amendments of 1984" passed with only 4 dissenting votes which provides for "not less than $6,000,000 in any fiscal year for the National Center . . ." Given the fact that the House Bill increases the responsibilities and work scope of the National Center by adding two new functions, it is my recommendation that the Congress provide funding for the National Center at $6 million which is $600,000 more than the $5.4 million level established for FY84.

INTRODUCTION

Thank you, Chairman Weicker and members of this Subcommittee, for providing us with this opportunity to update you on vocational education program improvement, and to report on our stewardship and continuing need for public funds. We appreciate your continued support of our efforts to advance the quality and responsiveness of vocational education programs throughout the nation.

I am here on behalf of Programs of National Significance, Part B, Subpart 2 of P.L. 94-482 which is funded under a 5% setaside. The major components of this setaside are: (1) The National Center for Research in Vocational Education, (2) The National and State Occupational Information Coordinating Committees, (3) the training and development programs for vocational education personnel, and (4) other efforts funded under the Secretary's Contracts and Grants. I will be concentrating on the National Center for Research in Vocational Education, mandated by the Congress.

The need for a continuing Federal role in the area of program improvement has substantially increased, if we are to achieve our national goal of revitalizing the economy and improving the quality of vocational education programming.

Programs of National Significance provide unique leverage for improving, strengthening and extending vocational education across the nation. Such programs represent the most appropriate and effective strategy for fulfilling Congressional intent, assuring program improvement, and providing improved data for policy and operational decisions for vocational education. Not only do these programs influence the character and quality of federal investments, but they also impact upon the over eight state and local dollars which overmatch each federal dollar. Programs of National Significance are cost effective since they eliminate duplicate costs and accelerate program improvement by providing essential research, development, training, planning information, and evaluation activities that are relevant and useful to large numbers of states and localities.

The key point that I want to convey to you today is that vocational education R&D activities are making a difference in program quality, labor market relevance and equity, and that we have in place elements of a nationwide program improvement capacity that is responsive to both national priorities and local needs.

THE ROLES AND FUNCTIONS OF THE NATIONAL CENTER FOR RESEARCH IN VOCATIONAL EDUCATION

The National Center is the most comprehensive program improvement effort mandated under Programs of National Significance in the Vocational Education Amendments of 1976. The role of the National Center is to address problems of national significance and to help build a nationwide program improvement capacity for assuring quality, relevance, and equity in programs of vocational education. The rationale for the National Center grows out of the recognition that there are nationally significant problems that require sustained and comprehensive inquiry. This rationale recognizes the several benefits, including cost effectiveness and a full-time multidisciplinary staff, of a critical mass of resources directed at key problems and issues. The National Center, now in its nineteenth year of operation, fulfills its role by carrying out six functions specified by the Congress. I will be reporting on some of the major efforts under each of these functions in my testimony today.

The National Center's Outreach Program

It is difficult, if not impossible, to fully characterize the major accomplishments of a comprehensive national research and development center that carries out six interdependent functions that call for interfacing with other elements of the scientific community, other employment and training systems, and the nationwide vocational education infrastructure.

Since 1978, the National Center has developed and released 639 reports to the public on such topics as optimizing the role of vocational education in economic development and national defense; reinforcing the basic skill levels of vocational education students; guidelines for the development of high technology occupational programs; the technological update of teachers; strategies for increasing coordination with business, industry, and labor; increased responsiveness to populations with special needs which include the handicapped and nontraditional students, and evaluation of and planning for vocational education programs in corrections. We promoted the dissemination and use of numerous other exemplary research, development, and curriculum products funded through state program improvement, under our leadership training and dissemination and utilization functions. We have worked with vocational educators in every state in the nation and in many local communities to advance the quality of vocational education programs; to increase responsiveness to both the labor market and the individual, and to build and improve the vocational education system's capacity for program improvement. The National Center's activities represent a fine balance of research and service. Staff members have provided a broad range of assistance to diverse groups and agencies during this past year, and we have numerous outreach mechanisms that I would like to review for you briefly.

- Through the National Academy's Institute Program, we have conducted 562 national conferences and workshops, in 41 states, for 23,431 state and local educators from all states and territories, on nationally significant issues and problems.
- In conducting our R&D activities, the National Center utilized 942 field sites in 43 states, and 1 territory. Through these efforts, we have worked with 19,379 state and local leaders to seek their inputs to our vocational education R&D efforts.
- We have fulfilled over 77,204 requests for information and products from a variety of individuals with varying roles and responsibilities located in both the public and private sector.

Selected Efforts Under the Mandated Functions of the National Center

Following are some selected activities in each of the Center's functions. Many of these lines of inquiry are on-going and will continue to yield new insights and information of value to both practitioners and policy makers.

Applied Research and Development

The National Center remains committed to improving the responsiveness of vocational education through conducting applied research and development on such topics as meeting the needs of special populations, and maintaining the currency and enhancing the quality of occupational programs.

Efforts to Improve Responsiveness to the Handicapped and Displaced Workers. The National Center has been working for several years on easing the transition from school to work for the handicapped. In 1983, we completed a series of materials entitled Extending Horizons that were developed and field tested to be used as secondary and postsecondary models for preparing school-community teams to support handicapped youth as they move from the school to the labor force. The series addresses such critical aspects of the transition as the development of the individualized employment plan and the participation and support of family, friends, and the employer. In addition, the model provides for the inclusion of the student in the inservice sessions for the support teams and family that are designed to determine the individual needs of the students and a plan for meeting them.

Currently, we are working to develop a set of 30 instructional booklets to assist the learning disabled, the emotionally disturbed, and the mentally retarded in (1) acquiring information about a variety of entry-level, mathematics-related occupations; (2) becoming aware of basic mathematics concepts and skills required in these occupations; (3) practicing the application of these skills through the performance of occupational skills; and (4) considering the educational and training requirements for occupations of interest. This year seven of the thirty booklets are being pilot tested in four sites around the country: Salinas, California; St. Louis, Missouri; Milwaukee, Wisconsin; and Greenville, South Carolina.

In another effort we are working to increase the capacity of volunteers and parent agencies to recruit and effectively train volunteers to assist handicapped youths in becoming independent and employed. A training resource package will be developed and field tested later this year.

In the area of displaced workers, last year the National Center completed an effort that examined the causes of worker dislocation; the characteristics and needs of dislocated workers; the scope of services that are available for assistance, and assessment resources, references, and technical assistance materials that are available in exemplary community-based programs. This year we are working to identify appropriate methods for facilitating the postemployment adjustment of displaced workers entering new occupations.

Contributing to Economic Development. The National Center has been working over the past three years to develop and provide leadership to a nationwide entrepreneurship network. In consort with the Assistant Secretary's Entrepreneurship Task Force and Oklahoma State University, the National Center has been working to infuse entrepreneurship education into all levels of vocational education. The National Center is operating a referral service to collect feedback on existing resources and to share information through an electronic newsletter. Eleven states have developed state task forces that have been working with the National Center to establish an Entrepreneurship Consortium this year. In addition, we are working to develop a training package for adult educators to work with displaced homemakers and other displaced workers to evaluate their skills, lifestyles, requirements, and opportunities to start their own businesses.

Precision Metalworking. The product manufacturing industry is changing so rapidly that skilled technicians are having difficulty in keeping up with the latest technology. As a result, chronic skill deficiencies exist in a variety of occupational areas. The precision metalworking industry has been unable to recruit sufficient numbers of qualified apprentices and skilled worker shortages are likely to develop in the future.

In order to enhance the industry's opportunities of attracting qualified workers, the National Center is identifying common core performance requirements needed for entry into the industry that curriculum experts will use to develop instructional programs. The National Center is also working to enhance the recruitment of qualified trainees. To ensure that career opportunities are fully communicated, strategies need to be developed for schools and the industry to use in portraying a more accurate image of precision metalworking occupations to potential trainees.

Teaching Basic Skills in Vocational Education Programs. In an effort to improve vocational educators' ability to reinforce basic skills the National Center has been working to understand which vocational education student learns which basic skills best in which settings. The findings showed that 61% of the vocational education experiences--both in the classroom and on the work sites--yielded as much exposure to basic skills as academic classrooms and part-time educationally unsupervised work. In 28% of the cases, the vocational education programs had a significantly higher frequency of basic skills being used. Through these results we hope to strengthen vocational education's capacity to reinforce and enhance basic skills.

The Implications of Job Redesign and Work Improvement Efforts for Vocational Education. Quality circles, problem-solving task forces, production teams, group incentive plans, job redesign, and a variety of other approaches and techniques better known as quality of work life (QWL) developments and participative management approaches are democratizing the workplace and involving workers in those decision making processes that affect their work. Last year the National Center examined the implications of QWL developments for vocational education programs and policies. The National Center is now developing instructional guides to assist vocational educators in teaching broadly applicable, nontechnical skills and conveying information increasingly needed by students to function affectively in a participative, quality-of-work-life environment. The four vocational areas directly addressed will be business and office (postsecondary), distributive education (secondary), and engineering technologies (postsecondary) programs.

Leadership Development

The leadership development activities of the National Center are carried out through two subunits: the National Academy for Vocational Education and the Advanced Study Center. The National Academy for Vocational Education is responsible for conducting not only institute programs such as national seminars and workshops, but also in-residence programs to provide intensive, on-site training for vocational education leaders. The Advanced Study Center provides opportunities for scholars and other leaders to pursue full time advanced inquiry in vocational education and related disciplines.

Since 1978, 185 persons from 37 states came at their own expense to participate in the National Academy's In-residence Program. The average length of stay for this open-entry, open-exit program was just over one month. One example of an improvement that has occurred as a result of the In-residence Program is that through the mechanisms of the newly established Area Planning Councils in Iowa, a school-to-work transition model for rural students, will be utilized by 445 school districts. As I reported to you earlier (on page 3), the National Academy also conducts conferences on problems of national significance for vocational educators around the country.

Since 1978, the National Center selected and supported 30 Advanced Study Center Fellows who came from 21 states and the District of Columbia and who have contributed to the intellectual capital of the vocational education enterprise while honing their own professional skills.

Information for National Planning and Policy

The major focus of the research under this function has been the outcomes, or effects, of participating in public vocational education. Over the past four years we have assisted in establishing the largest and most significant longitudinal data base ever assembled on vocational education--the New Youth Cohort of the National Longitudinal Surveys (NLS-New Youth). Our analyses have yielded the most detailed description of the short-term outcomes of vocational education yet available. As the young people in this study mature, we will be able to assess the longer-term outcomes.

Transition Patterns Between Education and Work. This year the National Center is working to identify which combinations of postsecondary transition patterns and high school curricula are associated most often with high or rapidly growing earnings, steady employment, opportunities for self-employment, and other desirable economic outcomes. It will examine the associations between combinations of postsecondary transition patterns and high school curricula and such noneconomic outcomes as community involvement, attitudes toward school, and educational and occupational aspirations.

It will also determine the extent to which decisions to follow specific transition patterns are sensitive to the related economic and noneconomic costs or to availability of appropriate public institutions, and how costs and availability can be influenced by public educational policy at each level of government.

Anticipating Forces and Factors Likely to Influence Vocational Education. The National Center has assembled relevant information concerning major influences on vocational education that should be considered in the development of plans and policies. From the information assembled, the following were identified as major influences: (1) students--a gradual decrease in the number of secondary students; proportionally more minority and disadvantaged students at all levels, many more adult students with widely varying characteristics at the postsecondary level; (2) technological change--rapid rates of technological change making it virtually impossible to keep institutional equipment and curricula up to date; (3) competing requirements--decreased time for vocational instruction at the secondary level because of increased requirements in English, mathematics, and science; and (4) federal emphasis--a continuing emphasis in federal vocational legislation on facilitating access to educational opportunities.

The implications of these and other broad influences for program planning in vocational education have been examined and are being disseminated.

Evaluation Activities

The evaluation function has been working in the area of utilizing improved evaluation methodology for planning, operating and assessing vocational education programs. One of our major accomplishments has been the development of a series of fifteen handbooks designed to provide practical advice to personnel in state and local education agencies who are charged with evaluation responsibilities. These handbooks focus on such evaluation requirements as (1) follow-up studies of former vocational education students, including populations with special needs; (2) key outcomes of vocational education; (3) evaluation guidelines for state advisory councils; and (4) evaluating vocational education programs in corrections.

Time on Task. Time on task is one of the most critical variables associated with student productivity and learning in school. Numerous studies have supported the commonsense notion that time on task, or the time when students are engaged actively in learning activities, relates positively to academic achievement. More important, time use is one of the few variables related to achievement that can be manipulated to some extent by teachers.

Consequently, the National Center has examined how time is used by vocational-technical students and what their teachers do to maximize time spent on curriculum-related tasks. In conducting the study, nine secondary and sixteen postsecondary classes located in two different states have been utilized to observe 152 secondary and 328 postsecondary students for 5,938 and 5,915 minutes respectively.

The National Center is developing two publications to be used by state and local evaluators, supervisors, administrators, classroom teachers, teacher educators, graduate students, and others that will provide step-by-step instructions for assessing time on task in the classroom and guidelines for increasing student time on task.

Clearinghouse Services

The purpose of the National Center's Clearinghouse is to maintain descriptive data on research, exemplary programs, and curriculum development programs for dissemination to the national program improvement network of federal agencies, state departments, Research Coordinating Units, Curriculum Coordination Centers, postsecondary groups, R&D personnel, and others. The goal of these services is to reduce duplication of the states' information efforts by acting both as a clearinghouse for state investments in program improvement and as a resource for adoption of program innovations--thereby increasing the utilization (and hence, the cost-effectiveness) of R&D. Through the National Center's Clearinghouse annotated information on over 12,500 federal and state program improvement projects conducted since 1970 and on projects currently underway is available. The Clearinghouse also collects military-developed technical training materials and civilian curriculum materials and makes information about these available through the network. The combined collections of the National Center Clearinghouse and the ERIC Clearinghouse for Adult, Career and Vocational Education, which is also housed at the Center, are used by an estimated 9,000 users per year.

Dissemination and Utilization of Vocational Education R&D Products

The National Center is now providing leadership to a nationwide dissemination utilization network that facilitates the rapid use of the best R&D products available for program improvement. Over 35,500 copies of these 44 products were distributed to the field. In support of selection and implementation of these and other products, the National Center has either sponsored or supported 586 conferences and field events serving 27,676 participants, responded to 7,341 requests, and distributed 53,584 brochures.

A nationwide network of informed, expert disseminators in state and regional agencies and organizations has developed as a direct result of the National Center's leadership, coordination, and training initiatives. Many state research coordinating units are now taking an active role in developing state dissemination plans, statewide dissemination networks, and numerous dissemination events, some of which the National Center has supported with personnel or materials. Dissemination also has been supported by a wide range of cooperative activities with national organizations of research coordinating units, curriculum coordination centers, state directors, personnel development coordinators; vocational education professional organizations; and other educational dissemination programs (e.g., National Diffusion Network, ERIC, Postsecondary Alliance, etc.). As a result of these activities vocational education programs are making more rapid and effective use of research and development, unnecessary duplication is avoided, and the public investment in research and development is paying dividends.

A National Commission on Secondary Vocational Education

This year the National Center is funding a National Commission on Secondary Vocational Education to examine the roles and functions of vocational education at the secondary level. The commission, chaired by Dr. Harry Silberman, professor of education at the University of California--Los Angeles, consists of nationally recognized experts representing education, private industry, labor, and government. The commission will structure its work around critical issues affecting secondary vocational education. Examples of potential issues include:

- What is the role of education for work in the secondary curricula?
- Does curricular tracking systematically deny equitable access to opportunity to certain student groups?
- Can high schools afford to keep their vocational programs up-to-date with the latest technological advances in the workplace?
- How ought vocational education and training be integrated with the academic curriculum?

The objective of the project is to synthesize relevant research, exemplary practice, and expert opinion concerning these and other critical issues and to recommend new directions and emphasis for secondary vocational education.

Dr. TAYLOR. Senator Burdick, I want to thank you and members of the committee for this opportunity to update you on Vocational Education Program improvement, to highlight my statements, and to thank you for your past support and report on our stewardship and continuing need for funds.

I'm here on behalf of vocational education programs of national significance and, more specifically, the program of the National Center for Research and Vocational Education which has been mandated by the Congress.

I would like to point out the continuing need for a Federal role in the area of program improvement. The need has increased and your support is needed if we're to achieve our goal of revitalizing the economy and continuing to improve the quality and responsiveness of vocational programs.

I would like to point out that support for programs of national significance provides unique leverage for improving, strengthening, and extending vocational education programs across the country. They provide, in my judgment, the most appropriate and effective strategy for fulfilling congressional intent, assuring a qualitative update, providing information for policy and operational decisions.

Not only do these funds influence the character and quality of those activities that are supported with the Federal dollars, but also color and characterize the overmatch of some dollars of State and local money as well.

Through the national center, they provide opportunities to eliminate duplicate costs; accelerate program improvement through essential research, development, training, and planning in evaluation activities that are relevant to many States and localities.

I would like to assure you that we are making a difference in terms of program quality, labor market relevance, and equity; and that we have in place a nationwide program improvement capacity that links the national center to State departments of education, to research coordination units, regional curriculum centers, local directors and university-based researchers, and teacher educators.

I would like to just highlight for you some of the activities that we have carried out in our six functions that are specified by the Congress and to try to characterize our operation as a group that's concerned not only with producing knowledge and research of relevance and utility, but trying to see that that research is incorporated into practice and that it does make a difference in terms of the kind and quality of programs that are offered.

Since 1978, we have released some 639 reports on many key topics of interest both from the standpoint of national priorities and local needs. These include products relating to economic development, vocational education's role in national defense, trying to reinforce the basic skills levels of vocational students, guidelines for the development of high technology, technological update of teachers to keep programs modern and relevant to the needs of the work force, strategies for improving coordination with business and industry, and special attention to the needs of special populations including the handicapped and nontraditional students.

Additionally, we have worked in trying to improve the character and quality of evaluation and planning efforts in vocational education not only in programs in general but also with respect to corrections.

We have worked with vocational educators in every State in the Nation and in many local communities to improve quality; and, in terms of outreach, just let me cite two or three key factors.

The National Academy of Science has just released a report on education for tomorrow's jobs. When you analyze their recommendations we have been able to identify 150 publications of our center that are available to implement immediately their recommendations for improving and strengthening vocational education. Many of those activities were undertaken prior to their study.

To give you a sense of outreach, last year through our national academy, which provides training and updating for State and local leaders, we conducted 108 national conferences and workshops, held them in 27 different States, and served almost 4,000 State and local leaders from all States and territories. We utilized some 942 field sites in 43 States interacting with over 19,000 vocational educators, students, parents, and leaders in business and industry; and we also serve as a national information clearinghouse.

Last year we responded to almost 13,000 information requests coming in from superintendents, board members, local industry and so on; some 13 percent in that area.

We're working with a President's national task force on skill shortages in the precision metal trades to improve the delivery in that particular area.

Let me say that we appreciate the support of this committee, that we are making progress in trying to bring about program improvement in vocational education. I would like to call your attention to the recent bill on vocational education that's been passed by the House which establishes a minimum funding level of not less than $6 million for the national center.

It takes into account its work in the past and assigns it some additional tasks and activities.

We appreciate your support. I would be pleased to try to respond to any questions if there are any.

Senator BURDICK. Thank you very much.

STATEMENT OF LOUIS NUNEZ, PRESIDENT, NATIONAL PUERTO RICAN COALITION, INC.

PREPARED STATEMENT

Senator BURDICK. Our next witness will be Louis Nunez, president of the National Puerto Rican Coalition, Inc.

[The statement follows:]

STATEMENT OF LOUIS NUNEZ

MY NAME IS LOUIS NUNEZ AND I AM THE PRESIDENT OF THE NATIONAL PUERTO RICAN COALITION, INC. (NPRC).

THE COALITION IS A MEMBERSHIP ORGANIZATION COMPOSED OF A LARGE NUMBER OF ORGANIZATIONS AND INDIVIDUAL MEMBERS INVOLVED IN MONITORING AND PROMOTING THE POLITICAL, ECONOMIC AND SOCIAL WELFARE OF PUERTO RICANS IN THE CONTINENTAL UNITED STATES AND PUERTO RICO. IN SUPPORT OF THIS BASIC MISSION THE COALITION MONITORS AND ANALYZES PUBLIC POLICY INITIATIVES.

AT ITS LAST ANNUAL MEETING AND CONFERENCE, MEMBERS OF THE COALITION TOOK THE FOLLOWING POSITION CONCERNING VOCATIONAL EDUCATION.

> "PROGRAMS AUTHORIZED UNDER CURRENT OR PROPOSED FEDERAL VOCATIONAL EDUCATION LEGISLATION MUST HAVE A STRONG PROVISION FOR TARGETING EDUCATIONAL RESOURCES TO SPECIAL POPULATIONS SUCH AS LOW-INCOME PUERTO RICAN YOUTHS".

MY TESTIMONY TODAY IS RESPONSIVE TO THIS RECOMMENDATION.

I APPRECIATE THIS OPPORTUNITY TO COMMENT ON FY 1985 FUNDING FOR VOCATIONAL EDUCATION. THIS TASK IS MADE DIFFICULT BY THE LACK OF SUBSTANTIVE REAUTHORIZATION LEGISLATION OF THE CURRENT VOCATIONAL EDUCATION ACT. MY UNDERSTANDING IS THAT

THE CURRENT LEGISLATION CARRIES AN AUTOMATIC ONE YEAR EXTENSION BEYOND SEPTEMBER 30, 1984.

IN ANY EVENT, I WOULD LIKE TO NOTE THAT THE AREA OF VOCATIONAL EDUCATION IS OF CRITICAL INTEREST TO THE PUERTO RICAN COMMUNITY. THIS COMMUNITY IS GENERALLY AN IMPOVERISHED ONE WITH ONE OF THE LOWEST RATES OF LABOR FORCE PARTICIPATION AND ONE OF THE HIGHEST UNEMPLOYMENT RATES OF ANY SINGLE GROUP IN THE UNITED STATES. IN MARCH, FOR EXAMPLE, THE UNEMPLOYMENT RATE FOR PUERTO RICANS IN THE U.S. STOOD AT A 13.2% AS OPPOSED TO 8.1% FOR THE OVERALL POPULATION. IN PUERTO RICO THE UNEMPLOYMENT RATE WAS OVER 20%.

WITH STATISTICS LIKE THIS, WE PLACE GREAT EMPHASIS ON EDUCATIONAL PROGRAMS WHICH HELP OUR YOUTH TO ENTER THE LABOR SECTOR AS PRODUCTIVE CITIZENS.

AGAINST THIS BACKDROP, NPRC FINDS THE ADMINISTRATION'S PROPOSED BUDGET REQUEST OF $738 MILLION FOR VOCATIONAL EDUCATION IN FY 1985 UNACCEPTABLE. THIS AMOUNT MERELY MAINTAINS LEVEL FUNDING FOR VOCATIONAL EDUCATION PROGRAMS THROUGH FY 1985.

WE BELIEVE THAT LEVEL FUNDING WOULD IMPLY A LACK OF COMMITMENT TO VOCATIONAL EDUCATION AT A TIME WHEN THIS NATION NEEDS TO PROVIDE INCENTIVES TO UPGRADE THE SKILLS OF ITS WORKFORCE. IMPROVEMENT IN THE QUALITY OF OUR FUTURE LABOR

FORCE NEEDS TO BE AGGRESSIVELY PURSUED AND MADE A MATTER OF PUBLIC POLICY.

EFFORTS TO CURTAIL THE FEDERAL ROLE IN VOCATIONAL EDUCATION, BY MAINTAINING LEVEL FUNDING OR CONSOLIDATING PROGRAMS INTO A SINGLE BLOCK GRANT, FAIL TO RECOGNIZE THE COST-EFFECTIVE PARTNERSHIP THAT HAS EVOLVED BETWEEN THE FEDERAL AND STATE GOVERNMENTS. EACH FEDERAL DOLLAR HAS STIMULATED SEVERAL MATCHING DOLLARS FROM THE STATE GOVERNMENTS. THE FEDERAL GOVERNMENT MUST TAKE THE INITIATIVE IN STIMULATING AN EVEN GREATER COMMITMENT TO VOCATIONAL EDUCATION IN THE STATES. INSTEAD OF MAINTAINING LEVEL FUNDING THIS COMMITTEE SHOULD RECOGNIZE THE POTENTIAL CONTRIBUTION OF VOCATIONAL EDUCATION TO THE ECONOMIC REVITALIZATION OF THIS COUNTRY AND INCREASE FUNDING AT A LEVEL NO LESS THAN $1 BILLION FOR FY 1985.

FURTHER, THE COALITION WOULD LIKE TO POINT OUT THAT IN THE PAST A STRONG FEDERAL ROLE HAS BEEN RESPONSIBLE FOR ENCOURAGING STATES TO ESTABLISH RESPONSIVE VOCATIONAL EDUCATION SYSTEMS. WE DISAGREE WITH THOSE WHO WOULD ARGUE THAT FEDERAL INCENTIVES ARE NO LONGER NEEDED. EVEN IF THIS WERE THE CASE, THE COALITION WOULD MAINTAIN THAT A STRONG FEDERAL ROLE IS NECESSARY TO PROVIDE CONTINUED ACCESS TO

VOCATIONAL EDUCATION OPPORTUNITIES FOR DISADVANTAGED INDIVIDUALS.

AS WE ARE ALL AWARE, FEDERAL FUNDS STILL CONSTITUTE THE LARGEST SHARE OF STATE VOCATIONAL EDUCATION PROGRAMS WHICH HAVE BEEN PROVIDING ACCESS AND OPPORTUNITY TO DISADVANTAGED POPULATIONS SUCH AS PUERTO RICANS AND OTHER HISPANICS. IF FORCED TO CUT BACK, IT HAS BEEN OUR EXPERIENCE THAT LOCAL PROGRAMS SERVING THE DISADVANTAGED ARE THE FIRST TO BE AFFECTED.

IN SUMMARY, NPRC BELIEVES IN A STRONG FEDERAL ROLE IN VOCATIONAL EDUCATION. THIS ROLE SHOULD BE TO PROMOTE INCREASED ACCESS FOR ALL STUDENTS WHILE AT THE SAME TIME ENSURING EQUITABLE TREATMENT OF SPECIAL AND DISADVANTAGED GROUPS. WE URGE THE SUBCOMMITTEE TO APPROVE AN APPROPRIATION LEVEL EQUAL TO THE TASK.

Mr. NUNEZ. Thank you. I'll skip the first page of my testimony in the interests of saving some time because it basically describes our organization and I think you'll have that for the record, Senator.

I appreciate the opportunity to comment on fiscal year 1985 funding for vocational education. This task is made difficult by the lack of substantive authorization legislation of the current Vocational Education Act.

My understanding is that the current legislation carries an automatic 1-year extension beyond September 30, 1984. In any event, I would like to note that the area of vocational education is of critical interest to the Puerto Rican community.

This community is generally an impoverished one and one with the lowest rates of labor force participation, and one of the highest unemployment rates of any single group in the United States. In March, for example, the unemployment rate for Puerto Ricans in the United States stood at 13.2 percent as opposed to 8.1 percent for the overall population. In Puerto Rico, the unemployment rate was over 20 percent.

With statistics like this, we place great emphasis on educational programs which help our youth to enter the labor sector as productive citizens. Against this backdrop NPRC finds the administration's proposed budget request of $738 million for vocational education in fiscal year 1985 unacceptable. This amount merely maintains level funding for vocational education programs through fiscal year 1985.

We believe that level funding would imply a lack of commitment to vocational education at a time when this Nation needs to provide incentives to upgrade the skills of its work force. Improvement in the quality of our future labor force needs to be aggresssively pursued and made a matter of public policy.

Efforts to curtail the Federal role in vocational education by maintaining level funding or consolidating programs into a single block grant fail to recognize the cost-effective partnership that has evolved between the Federal and State governments. Each Federal dollar has stimulated several matching dollars from the State governments.

The Federal Government must take the initiative in stimulating an even greater commitment to vocational education in the States. Instead of maintaining level funding, this committee should recognize the potential contribution of vocational education to the economic revitalization of this country and increase funding to a level no less than $1 billion for fiscal year 1985.

Further, the coalition would like to point out that in the past a strong Federal role has been responsible for encouraging States to establish responsive vocational education systems. We disagree with those who would argue that Federal incentives are no longer needed.

Even if this were the case, the coalition would maintain that a strong Federal role is necessary to provide continued access to vocational education opportunities for disadvantaged individuals.

As we are all aware, Federal funds still constitute the largest share of State vocational education programs which have been providing access and opportunity to disadvantaged populations such as Puerto Ricans and other Hispanics. If forced to cut back, it has been our experience that local programs serving the disadvantaged are the first to be affected.

In summary, the National Puerto Rican Coalition believes in a strong Federal role in vocational education. This role should be to promote increased access for all students while, at the same, ensuring equitable treatment of special and disadvantaged groups.

We urge the subcommittee to approve an appropriation level equal to this task.

Senator BURDICK. Thank you very much.

STATEMENT OF GERDA BIKALES, EXECUTIVE DIRECTOR, U.S.ENGLISH

Senator BURDICK. Our next witness will be Gerda Bikales, executive director, U.S.ENGLISH.

I would like to give you a special welcome to this committee because I understand you're going to talk about a subject very dear to my heart.

Ms. BIKALES. Yes; indeed, I am.

Senator BURDICK. I think the Nation as a whole would profit by a better understanding of this problem.

Ms. BIKALES. I wouldn't quarrel with that a bit.

[The statement follows:]

STATEMENT OF GERDA BIKALES

Senators, we appreciate this opportunity to present our views on funding needs for bilingual education in fiscal year 1985.

U.S.ENGLISH is a national public interest organization of concerned citizens working together to maintainand to strengthen the English language bond of the American people. When I presented testimony before you 1 year ago, we had a grand total of about 300 members. Today we have some 35,000 members, in every State of the Union. Our growth must be viewed as a yardstick of how strongly the American people feels about language seperatism.

Before proceeding, I want to call the attention of the committee members to the public interest nature of our testimony. By this I mean that regardless of the moneys appropriated by the committee for bilingual education, the people associated with U.S.ENGLISH will be no better off—nor any worse off—than the vast majority of American taxpayers. Contrast this with the self-serving character of other testimony you receive on this subject—from representatives of vested interests who stand to benefit personally from your largesse.

We recommend a funding level not to exceed $100 million for title VII programs in 1985. We do so for the following reasons:

A bill to grant additional moneys for the education of immigrant children in areas impacted by immigration is winding its way through the legislative process. This legislation would potentially provide as much as an additional $500 a year for each child with language difficulties, and pour many millions of new dollars into programs for these children, including, one can be quite sure, ample new programs of bilingual education.

The Bilingual Education Act is now up for reauthorization, and it is inevitable that the act will undergo changes. The monopoly enjoyed by bilingual education as the sole acceptable method under title VII must be ended, for there is no convincing evidence to show that this method is universally superior to others, while there is much to indicate that it is a political response to an educational dilemma, and a divisive element in the schools. We believe that it is best to fund the Title 7 Program below the $100 million mark, until it is substantially improved and depoliticized.

A new study entitled "Chapter I Services to Students with Limited English Proficiency", prepared by Advanced Technology Associates, indicates a rapid shift of title I funds from the classifically disadvantaged student population to those with limited English language skills. In other words, title I is becoming a significant source of money for educating children who have English language difficulties. The reason is that these funds can be made available for a variety of teaching methodologies, they are not the exclusive preserve of some inflexible educational dogma. This clearly confirms the need to broaden access to title VII moneys, so that we shall not have to continue to drain funds away from those with severe educational disadvantages who are native speakers of English.

In deciding upon an appropriate funding level for the Bilingual Education Act, one must keep in mind that there are several other programs that address the educational problems of the non-English speaking student. Many millions of dollars are spent each year to teach these children with funds from the Vocational Education Act, the Refugee Education Act, the Indian Education Act, the Migrant Education Act, Head Start, title XX preschool—and so, perhaps, the Immigrant Education Act.

In the increased competition for Goverment funding that awaits any serious, and inevitable, attempt to reduce our devastating Federal deficits, every program has to be reexamined most critically. A higher standard of urgency and efficacy will be required for every tax dollar expended. The Bilingual Education Act must be reassessed in this light.

We believe that there are sound reasons for limiting the funds of title VII to not more than $100 million. We shall continue to follow your deliberations with much interest.

Thank you again for your time and attention.

Ms. BIKALES. We appreciate this opportunity given to us today to comment on funding for bilingual education for 1985. Now, I know. I have watched year after year people coming here for days on end asking you for more money and you are about to have a treat.

I am here to ask for less money. That should make your life a little bit easier.

As you probably know, our organization was founded by your former colleague, Dr. S.I. Hayakawa, in January of last year as a national public interest organization of citizens working together to maintain and to strengthen the English language.

We testified here last year at approximately the same time before Senator Weicker. At the time, we had about 300 members. That may be stretching it a bit. Today, 1 year later, we have some 38,000 members, probably a little more, which I think is something of a yardstick of how strongly the American people feel about the language that unites us all.

Before going much farther, I want to emphasize the public interest nature of our testimony today, which is somewhat rare in what I've heard today and before. By this I mean that no one associated with U.S.ENGLISH, none of the people in its leadership, certainly on its staff are going to be any better off or any worse off than any other American taxpayer, really, from whatever your decision is, whatever the outcome of your deliberations.

We would like to recommend a funding level that will not exceed $100 million for title VII programs in the coming year. We have several reasons why we want to keep it below that level.

One, you may well be aware that the bill is winding its way through Congress that would add more Federal money to the education of immigrant children in those areas that are heavily impacted. Now, potentially this could add another $500 per child per year, and much of this money if not all will go for further bilingual programs. That's pretty clear.

As you also know, the Bilingual Education Act is up for reauthorization. We don't really know what we are going to be funding in the future.

It is clear that the Bilingual Education Act will have to undergo some changes. It now has a monopoly. It grants a monopoly to one method of teaching and excludes others. Obviously, that will have to change. Many different approaches will have to be funded or at least be opened to funding if the bill is to be acceptable to the American people.

Furthermore, there is now evidence due to a study just finished by Advanced Technology Associates and about to be released that title I money is going into bilingual education as well, or at least teaching children who have English language deficits.

Title I money is now being drained, it seems, from the classically disadvantaged population that are native speakers of English to children who do not speak English. To some extent, it is being done because the Bilingual Education Act does not allow any other method. So anyone attempting to get Federal money for a program using, say, English as a second language or structured emersion uses that allocation, that appropriation.

I would just like to mention that there is other Federal money going into the education of children with English language deficits; the Vocational Education Act, the Refugee Education Act, the Indian Education Act, the Migrant Education Act, Headstart, title XX, preschool programs, and quite soon the Immigrant Education Act and, of course, title I as I mentioned.

Finally, there is, of course, increased competition for every dollar and I think every program will have to prove its efficacy and the fact that it meets its intent somewhat more closely than in the past if it is to get any Federal dollars.

We believe that these are sound reasons for limiting the funding of title VII to not more than $100 million. We are certainly going to follow with much interest the deliberations of this committee and we greatly appreciate the opportunity to have our say on this matter.

Senator BURDICK. Thank you very much.

Why do we have bilingual education? This country is known as a melting pot. In my State the people from Europe came there for new lands and new opportunities. They came from Norway. They came from Sweden. They came from Germany. Yes; even some came from Russia.

There was no Bilingual Program. These children learned to speak English and have done very well, and they have become some of the leaders in our communities. Where did all this bilingual business start?

Ms. BIKALES. I think it's a product, Senator, of another era; namely, in the late-1960's when we were willing to try anything for greater social equity. I could see it at the time.

It was a small program. It was $7.5 million. And it was designed as an innovative sort of experimental program. I think the idea was if the experiment didn't work we could always take another look.

But as you well know, once we start a program it only grows. There's a real evaluation, do we really need it.

It's a product that has just grown like Topsy without ever proving its true value.

Senator BURDICK. I am also concerned that we may develop regions and areas in this country that become quite divisive.

Ms. BIKALES. Absolutely. It's a very political program; it is.

Senator BURDICK. We know what's happening in Canada with the language difficulties among the big provinces. It certainly creates division among our people.

If they can speak English all through the Pacific area in all the 2,000 or 3,000 islands, I think we can speak it here and I think we ought to cling to it.

Ms. BIKALES. I think if we had had bilingual education in 1900 you and I would be talking through an interpreter now.

Senator BURDICK. We probably would. We probably would. You are right.

Thank you very much for your contribution.

Ms. BIKALES. Thank you.

STATEMENT OF EILEEN D. COOK, AMERICAN LIBRARY ASSOCIATION

PREPARED STATEMENT

Senator BURDICK. Our next witness and the last for this morning will be Eileen Cook of the American Library Association.

Ms. COOK. Good morning, Senator Burdick.

Senator BURDICK. Good morning.

[The statement follows:]

STATEMENT OF EILEEN D. COOK

SUMMARY OF

AMERICAN LIBRARY ASSOCIATION APPROPRIATION RECOMMENDATIONS

FY 1985 Labor-HHS-Education Appropriations

1. Library Programs: U.S. Department of Education

	FY 1984 Appropriation	FY 1985 Authorization	FY 1985 Reagan Request	FY 1985 ALA Recommendation
Library Services and Construction Act				
Title I, Public Library Services	$ 65,000,000	$ 80,000,000*	-0-	$ 80,000,000
II, Public Library Construction	-0-	50,000,000*	-0-	50,000,000
III, Interlibrary Cooperation	15,000,000	20,000,000*	-0-	20,000,000
TOTAL LSCA	$ 80,000,000	$150,000,000	-0-	$150,000,000
Higher Education Act				
Title II-A, College Library Resources	-0-	35,000,000	-0-	30,000,000
II-B, Lib. Training, Research and Development	880,000	35,000,000	-0-	10,000,000
II-C, Research Libraries	6,000,000	15,000,000	-0-	15,000,000
TOTAL HEA	$ 6,880,000	$ 85,000,000	-0-	$ 55,000,000
Education Consolidation & Improvement Act				
Chapter 2 El. & Sec. Educ. State Block Grant**	$479,420,000	such sums	$728,879,000	$ 728,879,000

* Levels in LSCA reauthorization bill, HR 2878, passed by House 357-39 Jan. 31, 1984.

** Forward funded consolidation of 28 programs including the former ESEA IV-B School Library Resources and Instructional Equipment program.

2. Other Programs

The American Library Association supports the authorized levels for the following:

National Commission on Libraries and Information Science	$ 700,000
National Center for Education Statistics (incl. library surveys)	$ 8,947,000

The American Library Association supports the budget request of $45,830,000 for the National Library of Medicine, plus the authorized amount for the Medical Library Assistance Act. Authorization of $11,000,000 for MLAA has been passed by the House (HR 2350); $11,025,000 is pending in the Senate (S. 773).

My name is Eileen D. Cooke. I am Associate Executive Director of the American Library Association and Director of its Washington Office. ALA is a nonprofit educational organization of over 40,000 librarians, trustees, educators, and other friends of libraries dedicated to the improvement of library services. The gist of my testimony to you today is this: Libraries make a major contribution to excellence in education. That is why it is critically important that the modest federal role in support of libraries be continued.

Despite the contribution of libraries to the development of critical thinking skills in children, despite the contribution of libraries to an educated citizenry, despite the contribution of libraries to literacy and self-improvement, despite the contribution of libraries to the scholarship, research and development that keeps the U.S. competitive in the world economy — despite all this, the Administration has recommended, for the third year in a row, the elimination of federal library grant programs. Congressional support of these programs has been strong the past two years, and is much appreciated by the library community and the many users of libraries. I am here to ask that you continue that strong support of library programs in fiscal 1985.

A year ago the National Commission on Excellence in Education, established by Secretary of Education T. H. Bell and warmly endorsed by President Reagan, issued its landmark report, "A Nation At Risk". Educational reforms should promote a "Learning Society", according to the report, affording "all members the opportunity to stretch their minds to full capacity, from early childhood through adulthood, learning more as the world itself changes." At the heart of the Learning Society are places like libraries "where the individual can develop and mature in work and life." The report also issued a warning:

> Learning is the indispensable investment required for success in the 'information age' we are entering.
>
> ...The people of the United States need to know that individuals in our society who do not possess the levels of skill, literacy, and training essential to this new era will be effectively disenfranchised, not simply from the material rewards that accompany competent performance, but also from the chance to participate fully in our national life.

Secretary Bell recognized the contribution of libraries to excellence in education when he announced in January the Department's "Libraries and Learning Society Seminar Project" to take "A Nation At Risk" as a starting point and elaborate on the role of libraries in fostering educational excellence and in bringing about a Learning Society by 2000 A.D. Five seminars on libraries and the learning society have been held, and a report is expected in June.

The Education Department and the White House are also deeply involved in a Literacy Initiative. This effort includes an ALA-initiated project, the Coalition for Literacy, a national awareness campaign on behalf of the estimated 23 million adult illiterates in the U.S. The Coalition has received both Education Department and private support. Adult illiterates cost over $224 billion every year in welfare payments, crime, incompetent job performance, lost tax revenues and remedial education. If federal library grant programs made even a modest contribution to reducing the number of adult illiterates, which they certainly do, they would pay for themselves many times over. Yet the budget request for these excellent programs continues to be zero.

Library Services and Construction Act. A study funded by ED's Office of Libraries and Learning Technologies identified 15 ways in which libraries could be involved in literacy education. With help from LSCA I, the Enoch Pratt Library in Baltimore has been involved in all 15, ranging from information and referral services to provision of materials and equipment to one-on-one tutorial sessions. States like Kentucky and California have used LSCA I funds to establish statewide efforts. Library literacy efforts often concentrate on adults who need help but are unable or unwilling to participate in a more formal educational setting.

LSCA I funds are also needed for those who require special materials, such as the blind and physically handicapped, and to help libraries cope with increased usage. As the Arkansas State Librarian, Pat Murphy, recently noted, in difficult times, people "have traditionally turned to the library system for the provision of information, because it can cover a wide range of information, from job prospects to economic forecasts to even simple how-to-do-it-yourself information. We get patrons who want to repair their own appliances and autos."

LSCA helps in achieving successes such as this letter to California's Alameda County Library System:

> I am writing in appreciation of the services available at your library. A week and a half ago, I took out two books on resume writing and interview techniques and wrote my first-ever resume. I then typed it on one of the good IBM Selectric typewriters available for patron use. After having copies made, I sent two out to employers advertising for positions in the San Francisco Chronicle which I read in the library. A few days later, I was called for an interview, went the next day, and was hired a day later and started a day after that. I couldn't have done it without you.

The FY '83 emergency jobs supplemental provided $50 million for LSCA II library construction projects in late FY '83 and '84. As of March 20, 1984, 499 construction projects had been approved, using $46.5 million in LSCA II funds matched by $93.7 million in local and state funds -- half for new buildings, half for additions and remodelings.

Prior to PL 98-8, LSCA II was last funded in FY '73. During the interim, 2,900 construction projects had accumulated requiring $2.3 billion, with over $400 million needed in FY '85 alone. Despite the urgency of jobs bill implementation, twice as many projects were submitted to state agencies as could be approved. Funds are particularly needed for energy conservation and handicapped accessibility. The Treasury Department has notified many libraries that to continue receiving revenue sharing payments, any structural changes needed to ensure accessibility for the handicapped must be completed by October 17, 1986.

A recent Senate witness, Barbara Markuson of Indiana's INCOLSA network, described the impact of LSCA III this way:

> Think of published information resources as a gigantic jigsaw puzzle. Each library has only a limited budget, so it can purchase only one piece of the puzzle. If it gets a user request for information unavailable in its collection, its staff has to locate the library that holds the missing piece. To have a coherent national information system, we need, ideally, to have information about the pieces of the information puzzle held by each library....
>
> It will be readily evident that, unless we follow some standardized way to describe each library's piece of the information puzzle, we will not be able to find needed information easily. I believe that libraries are ahead of other fields in realizing this problem and are working at every level toward its solution....
>
> This tremendous development is a testimony to the cooperative thrust of modern librarianship. It is also a testimony to what can be achieved if we have access to outside grant funds, such as LSCA, to help libraries make the changeover to a new technology. The presence of state and regional networks provided a mechanism to affect a very rapid technology transfer....
>
> INCOLSA, under a title III grant, has been running a model project geared to helping Indiana libraries upgrade their information services to include online information retrieval. ....INCOLSA monitors developments, implements contracts to reduce the cost of services through cooperative purchasing, provides an information retrieval training room, and conducts management planning seminars, online system training programs, and training on specific data bases. When this project began only a few libraries in the state were able to offer online reference services; now more than 75 libraries offer this user service.

State legislatures can be reluctant to provide money to try things out, but an LSCA demonstration project will often show how dollars can be saved. Libraries also find it difficult, legally and otherwise, to participate in the purchase of cooperative equipment not located on their premises. LSCA III is definitely needed.

Higher Education Act Title II Library Programs. HEA II-A college library grants are unfunded in FY '84 pending development of criteria to target the grants to the neediest colleges. Development of need criteria is underway in connection with the HEA reauthorization process. Meanwhile, many college libraries are indeed in need. Basic support for the curriculum is faltering with books at an average cost of $30.84 and periodical subscriptions at an average cost of $50.23. About 10 percent of recent applicants are failing to meet the II-A maintenance of effort requirements. In a recent sampling of college and small university libraries, only 65 percent offered online bibliographic search services.

To serve all Americans effectively, libraries need more minority representation. For instance, the Spanish origin population has grown to over 6 percent of the total U.S. population, yet only 1.8 percent of librarians are Hispanics. But librarianship, a relatively low-paying profession without sources of financial assistance for post-graduate education typical of other fields, needs the help of the HEA II-B training program to respond to demographic changes.

The HEA II-B research and demonstration program is the only coordinated program of its kind in library and information science. Its projects have made an impact in two important areas -- innovative methods of extending service to underserved groups, and adaptation of newer information and communications technologies to library operations. R&D in these areas remains critical -- because of the need for technological changes to avoid huge pending telecommunications cost increases, and to maintain and improve the library contribution as a self-help institution to excellence in education.

The National Commission on Student Financial Assistance, in its report on graduate education, concluded late last year that given the "urgent need", the current $6 million for the HEA II-C research library program is "pitifully inadequate". The report noted: "Although expenditures for library materials rose by 91 percent in the 1970s, enormous cost increases forced a reduction of 20 percent in growth of new volumes." Additionally, it said: "Far from preserving these collections for future generations, we are permitting them to deteriorate on the shelves. Acids used in paper since about 1850 are literally destroying irreplaceable collections."

Education Consolidation & Improvement Act Chapter 2 School Block Grant. One area where President Reagan has proposed an increase is the ECIA Chapter 2 school block grant; the additional $250 million has been proposed to enable schools to respond to "A Nation At Risk". ALA supports this increase. However, although the former school library resources program (ESEA IV-B) was consolidated in the block grant, many school librarians report a complete cut-off of funds.

"A Nation At Risk" noted that about 13 percent of all 17-year-olds are functionally illiterate. Later on, the report said that expenditures for textbooks and other instructional materials declined by 50 percent over the past 17 years to only 0.7 percent of the operating costs of schools today. The report did not correlate the two findings, but the conclusion is obvious.

Recent studies indicate that children who are taught to read using "real books" and works of literature, not just basal readers and texts, become superior writers and more independent thinkers. However, use of such materials has been hampered by tight library budgets. School Library Journal reported in October 1983 that the median per pupil expenditure for books was $3.71, less than half the cost of a new hardcover book. Many elementary library media programs established during the '60s and '70s with the impetus of federal funds have been drastically cut back or eliminated. Library staffing at all levels has decreased, possibly as much as 20-25 percent at elementary levels.

In testimony last fall to the Senate Education Subcommittee on excellence in education, Judith King, President of the American Association of School Librarians, a division of ALA, stated:

> Development of library skills in finding information leads to increased use of information and the comparing and contrasting of sources and opinions. It is through familiarity with reference and finding tools and use of library media resources that students develop those critical thinking skills necessary to the Learning Society envisioned by the National Commission on Excellence in Education.

ALA supports increased funding for ECIA Chapter 2, but questions whether the block grant is the best available means for assuring that schools have the necessary library resources to undergird a restoration of excellence in education. "Libraries are so central to education that a seasoned educator can look at a school's library and its usage and obtain from it the best single indicator of the school's quality and effectiveness," according to Felix Robb, Executive Director Emeritus of the Southern Association of Colleges and Schools.

National Commission on Libraries and Information Science. In FY '83 NCLIS was zero budgeted. Last year the budget requested an 18 percent cut. For FY '85, $690,000 is proposed, a 2 percent increase over FY '85 funding. It appears the Administration is slowly recognizing the worth of this small, cost-effective, independent agency uniquely authorized to advise both Congress and the President on library and information policy. ALA recommends the authorized level of $700,000 for FY '85.

National Center for Education Statistics. Both the Administration and Congress have skimped on budgets and funding for NCES. ALA strongly urges a return to the authorized level of $8,947,000, which itself is not really adequate. Available funding is stretched so thin that data collection schedules for library surveys have slipped, publication is often delayed for years, and dissemination of results is minimal. There is simply no substitute for accurate, objective, government sponsored statistics, and there is no other current source for library data.

National Library of Medicine. Federal support of the National Library of Medicine and the Medical Library Assistance Act is a recognition of the importance to the public good of acquiring, organizing, and disseminating medical research results and health information. Improved health care at lower cost can be achieved through adequate support of health information services. ALA supports the budget request of $45,830,000 for NLM, plus the authorized amount for MLAA. An extension bill pending in the Senate (S. 773) would authorize $11,025,000 for FY '85; a House-passed bill (HR 2350) would authorize $11,000,000.

Thank you for the opportunity to present the views of the American Library Association.

Ms. Cook. It's a pleasure to be here. I appreciate the opportunity to appear before you.

As you note from my testimony I have at least seven major programs that we're concerned with. In view of the limited time I'm sure I won't do justice to them, but I understand my full statement will be made part of the record. I would just like to highlight a few of the points I have made.

In one, to call attention to the fact that it was just about 1 year ago this month that the National Commission on Excellence issued its landmark report entitled "A Nation at Risk" touting the importance of getting back to basics and looking to improving education nationwide.

We feel that libraries play an undergirding role throughout all of the education programs. I can certainly relate to many of the witnesses I heard this morning.

So the gist of my testimony is to say that we do believe libraries make a major contribution to excellence in education and that's why it's critically important that the modest Federal role in support of libraries be continued.

Despite this contribution of libraries to the development of critical thinking skills in children, to an educated citizenry, to literary and self-improvement and development programs, to scholarship, research and development, despite all of this the administration has continued to recommend zero funding. This is the third year in a row.

We certainly appreciate this committee and Congress in general continuing their strong support. I'm here basically to urge you to continue that in fiscal 1985.

The same report, "The Nation at Risk", called attention in warning that learning is an indispensible investment required for success in this information age we're entering. The people of the United States need to know that individuals in our society who do not possess the levels of skill, literacy, and training essential to this new area will be effectively disenfranchised not simply from material rewards that accompany competent performance, but also from the chance to participate fully in our national life as we move further into new technology and learning.

The Education Department and the White House have been deeply involved in literacy initiatives and this partially includes one sponsored by ALA, the Coalition for Literacy; a national awareness campaign on behalf of the estimated 23 million functionally illiterate adults. Dr. Eyre, who testified earlier, is one of the member of that coalition, his organization.

We both acknowledge the support from the Department of Education and also private support.

Adult illiterates cost over $224 million every year in welfare payment, crime, incompetent job performance, lost tax revenues, and remedial education. If Federal library grant programs made even a modest contribution to reducing the number of adult illiterates, which they certainly do, they would pay for themselves many times over. Yet the budget request for these excellent programs continues to be zero and is something of a conundrum to us.

Just as an example, under title I, the Public Libraries Services Program, how people are able to benefit from their local library services, in the east coast area, as you mentioned all the immigrants that have come into this country, the Brooklyn Public Library, for one, was in the vanguard of teaching people to read one on one or in group situations, and this is continuing in many libraries and spreading throughout the country.

But another example where unemployment has escalated over the last several years and now appears to be declining is in California when they were suffering from proposition 13 people were going to their libraries using them more than ever. The Alameda County Library system received this letter:

> I'm writing in appreciation of the services available at your library. A week ago and a half I took out two books on resume writing and interview techniques, and wrote my first ever resume. I then typed it on one of the good IBM Selectric typewriters available for patron use.
>
> After having copies made, I sent two out to employers that advertised for positions in the San Francisco Chronicle which I read in your library. A few days later I was called for an interview, went the next day and was hired a day later and started the day after that.
>
> I couldn't have done it without you.

I think this is something that people overlook, that when people are without jobs they do go to their library and often it's the same time when there's a budget crunch at the State and local level. So we would urge your continued support for these programs.

Library constructions funds were provided last year and this has been very beneficial in terms of removing our potential barriers. I have several other quotes that I hope you'll look at in my testimony.

For example, the Interlibrary Cooperation Program was touted recently by a witness in the Senate pointing out that interlibrary cooperation should be viewed much like a jigsaw puzzle; that not all libraries can afford everything, or even a minor portion of what they need.

So by knowing where the resources are and using the new technology they can share this and they know where to look to find it because of, in great measure, LSCA title III assistance.

The College Library Program, we're trying to find need criteria to respond to congressional requirements that that fund be held up until college libraries can really show a need. We're finding that they're suffering from declining resources because book costs are up to $30.84 and periodical subscriptions $50.23.

But all together all of the library programs we're talking about really are dependent on the same sort of resources and sharing.

Again, I thank you for this opportunity.

Senator Burdick. Well, I want to say that for the last 5 minutes you've been preaching to the converted.

Ms. Cook. I know that, Senator. Usually I'm appearing before you to talk about postal revenues and we can share our resources. I appreciate this opportunity.

Senator Burdick. My family in Williston, ND, both my mother and my brother, have been very active in their local library work. So I know something about this subject.

I'll do my best to get a square deal for you.

Ms. Cook. Thank you, Senator. As a native Minnesotan, I'm commiserating with North Dakota in the blizzard condition right now.

Senator Burdick. Thank you very much.

Ms. Cook. Thank you.

SUBCOMMITTEE RECESS

Senator Burdick. The subcommittee will stand in recess until Tuesday, May 1, when we will meet here again in SD–116 to hear from public witnesses on higher education, elementary and secondary education, rehabilitation, financial aid and related agencies.

[Whereupon, at 11:49 a.m., Thursday, April 26, the subcommittee was recessed, to reconvene at 9 a.m.,Tuesday, May 1.]

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1985

TUESDAY, MAY 1, 1984

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 9 a.m., in room SD–116, Dirksen Senate Office Building, Hon. Lowell P. Weicker, Jr. (chairman) presiding.

Present: Senators Weicker, Proxmire, and Inouye.

NONDEPARTMENTAL WITNESSES

OPENING REMARKS

Senator WEICKER. This morning we will be hearing from public witnesses on higher education, secondary education, rehabilitation and financial aide, and related agencies. We will operate by the ground rules which apply to all public witnesses.

All statements being included in the record in their entirety and oral statements being limited to 5 minutes, not as a matter, of courtesy to the chair but as a matter of courtesy to the witnesses, all of whom want to be heard in a relatively short period of time. So, I would appreciate it if, without any pounding of the gavel by the chairman, everybody would observe the time limits.

This marks the last session of the Committee on Appropriations of the budget and I would expect the committee to be making its deliberations and having those deliberations being made public in a very short period of time.

So, with those introductory remarks, welcome to all of you on this beautiful day. We should well have the hearings outside and not inside. Why don't we begin.

The first witness that we will hear is Linda Flores, who is the executive director of the Council on Legal Education Opportunity.

STATEMENT OF LINDA FLORES, EXECUTIVE DIRECTOR, COUNCIL ON LEGAL EDUCATION OPPORTUNITY

Ms. FLORES. Good morning. I am Linda Flores. I appear before you today in my capacity as both the executive director of the Council on Legal Education Opportunity and, perhaps more significantly, as a former CLEO student, to request a $1,170,000 appropriation for the CLEO Program for fiscal year 1985.

The CLEO Program is a joint program of three national bar associations and two organizations representing legal education and accreditation, which was formed with both Federal Government and private financial support in 1968 to redress the dramatic underrepresentation of minority and economically disadvantaged groups within the legal profession. The concerns of 1968 were concrete: Less than 1 percent of the lawyers of this country were black and in many States there were more than 30,000 black residents for each black lawyer; and the comparative figures for other minority and disadvantaged groups were even more discouraging. Many people realized then that the unrest of the sixties and other troubles would not be resolved until all segments of American society had ready access to the means for peaceful dispute resolution through the legal system, and representation in the decisionmaking sectors of society.

While there is evidence that minority group access to legal education has increased dramatically since 1968 in contrast to previous levels, it still appears that meaningful access to graduate and professional opportunities remains an elusive goal. The 1983 Annual Survey on Current Population Statistics of the Bureau of the Census reports that of the 612,000 lawyers in the United States, only 2.6 percent are black and nine-tenths of 1 percent are Hispanic. Thus CLEO continues to provide a much needed and useful function.

Senator WEICKER. What are those figures again?

Ms. FLORES. 2.6 are black and nine-tenths of 1 percent are Hispanic.

Senator WEICKER. Of all the lawyers in the country?

Ms. FLORES. Of all the lawyers in the country.

The effort toward meaningful economic and political participation of minorities and the disadvantaged has been diligently pursued in higher education for very cogent reasons: Higher education has proven to be a more effective vehicle than most for obtaining a more equitable distribution of political influence, simply because those persons most involved in the decisionmaking process of this country, are, themselves, products of the higher education system. This phenomenon is particularly relevant to the legal profession given its role within the country's decisionmaking process generally and its historic lack of accessibility to minorities and the disadvantaged. The profession's impact on the formation of national policy is widely conceded because of the relationship of lawyers to all three branches of Government, comprising almost exclusively the judicial, and significant percentages of both the legislative and executive; in fact, 50 percent of the current Congress is legally trained. It is this unique role played by the legal profession that raises compelling reasons for a continued emphasis on increasing the number of attorneys from minority and disadvantaged backgrounds.

Since 1974 Federal funding for the program has remained frozen at $1 million. Yet, unquestionably, the value of the $1,000 CLEO graduate fellowship award has been affected negatively by the inflationary economic cycle affecting the country at large, and is woefully inadequate by today's standards. The U.S. Bureau of Labor Statistics figures indicate that the $1,000 annual stipend is worth only 33 percent of its original value.

Other federally funded graduate and professional programs, such as GPOP and public service fellowships, have provided stipend assistance of minimally $4,200 per year and some have had institutional support components as well.

At the same time the cost of education, especially in graduate and professional schools has continued to rise in the last decade, thereby increasing the law students financial and making legal study more prohibitive for the disadvantaged student. For the 1983–84 academic year, tuition at approximately one-half of the Nation's schools fell within the $5,000 to $10,000 range. As a result, for the last several years, CLEO has experienced a 20-percent-rejection rate due entirely to students' need to earn funds over and above that provided by the $1,000 CLEO stipend.

In the final analysis, therefore, there is an acute need for increased CLEO stipend assistance merely to maintain the original thrust of the program.

Since CLEO's inception the Federal support has served as seed money for generating the revenues necessary for conduction of the academic institutes from the law school community. Initially, the non-Federal share represented between 20 to 30 percent of total institute cost. However, over the last several years, the ever spiraling cost of legal education, coupled with the effects of inflation thrust an even greater share of the institute's operating cost upon the law schools. Given the fixed level of Federal support, the law school community now absorbs approximately 60 percent of institute costs as a demonstration of their commitments to the program. In addition, law schools provide tuition scholarships as well as other forms of financial support in recognition of the CLEO fellow's marginal economic stability.

At a time when legal education is itself in a difficult fiscal situation, it is extremely important to realize that the annual Federal support for this program generates three times as much in cash and services annually from the law schools.

The legal education community and the profession have often failed in their responsibility to all segments of society. CLEO represents a collective commitment by the profession and its gatekeepers to the principles of equal access to opportunity. Over the years, the degree of support received from the program sponsoring organization has increased as the net Federal revenue has decreased. For example, the ABA has for years been a principal contributor in its dual capacity as one of CLEO's sponsoring organizations and an administrative conduit for funds from the Federal Government. The ABA contributes annually some $100,000 to the program's operation to address unanticipated financial obligations unmet by other funding, by any other funding source.

The success of the program is overwhelming. Since 1968 CLEO has provided an opportunity for law studies for some 3,400 students and has produced 2,000 law graduates involved in a broad spectrum of legal and law related activities, including judges and law school deans, elected officials, congressional staff, et cetera. The net result has been increased access to the legal system and the decisionmaking process of this country.

Without being too personal, my own background exemplifies the success of the program. I am a resident of the south Bronx, a product of segregated education and environment. Today I hold a juris doctorate degree from Rutgers Law School in Newark and a master of laws from the Georgetown University Law Center. While my career interests will certainly continue to develop over the years, I felt it important that I return the benefits received through the program. Other CLEO fellows share this view. Therefore, we are now engaged in an effort to develop the CLEO Alumnae Association to continue the public service embodied in the CLEO concept and to provide meaningful involvement of CLEO fellows in the program, including financial support.

In summary, the modest amount of Federal money invested in the program in the last 15 years has been a catalyst to the advancement of sound educational and financial policy, and provides a center for law students and the profession and to persons not otherwise represented, since its contributions strengthen and enhance the profession itself and the Nation as a whole.

Thank you for your time and attention.

Senator WEICKER. Thank you very much. What are these moneys specifically used for? Are they not for basic tuition for law school?

Ms. FLORES. No; but principally, the Federal moneys are used for three components. Approximately $250,000 is used in joint sponsorship with law schools for the academic institute; about $600,000 is annually used for stipend awards; $1,000 each for approximately 600 students throughout 3 years of law school; and the remainder is used for national office operations of the national office located here in Washington, DC.

Senator WEICKER. The first part goes directly to the law school?

Ms. FLORES. The first part goes principally toward room and board costs associated with the academic institute. The law schools provide the law faculty, teachers assistants, et cetera, to conduct a summer program. The costs of each summer institute is approximately $75,000 and CLEO provides about $30,000 for each of those institutes and the law schools pick up the remainder.

Senator WEICKER. Before you leave, John, since you are here, what is the percentage of blacks and Hispanics in the UCON Law School? Do you have any idea?

Dr. DIBIAGGIO. I know it is not nearly what it ought to be, it is so small. Four or five percent of the money spent.

PREPARED STATEMENT

Senator **Weicker**. Thank you very much.

[The statement follows:]

STATEMENT OF LINDA FLORES

Good morning. I am Linda Flores. I appear before you today in my capacity as both the Executive Director of the Council on Legal Education Opportunity (CLEO) and, perhaps more significantly, as a former CLEO student, to discuss the legislative reauthorization of the program as well as the Administration's FY 1985 budget recommendation. Although this Subcommittee is familiar with the program's purposes and objectives, it is nonetheless important for this Subcommittee to have a complete understanding of CLEO's vital role in providing continued access to the legal profession for the economically disadvantaged and why, in this era of reduced federal spending, Congress should nevertheless continue its support of CLEO as sound educational and financial policy.

CLEO BACKGROUND

The Council on Legal Education Opportunity, a joint program of three national bar associations and two organizations representing legal education and accreditation, was formed with both federal government and private financial support in 1968 to redress the dramatic underrepresentation of minority and economically disadvantaged groups within the legal profession. The concerns of 1968 were concrete: less than 1% of the lawyers of this country were Black and in many states there were more than 30,000 Black residents for each Black lawyer; and the comparative figures for other minority and disadvantaged groups were even more discouraging. Many people realized then that the unrest of the '60s and other troubles would not be resolved until all segments of American society had ready access to the means for peaceful dispute resolution through the legal system, and representation in the decision-making sectors of society.

The CLEO program seeks to reduce the underrepresentation of disadvantaged groups within the legal profession by providing an alternate mechanism for assessing, within the law school environment itself, the potential of each program participant for the study of law. Thus, the program is designed to serve those persons who aspire and are qualified to enter the legal profession but who, because of substantial economic deficiency and marginal admission credentials, may be unable to gain admission to law school under traditional admission criteria. The program achieves its goal of identifying qualified law school candidates and providing the opportunity for law school matriculation via academic summer institutes for prospective law students and the provision of annual fellowships.

The CLEO Regional Summer Institutes were originally designed to operate largely as a screening process for minority students who would not otherwise be admitted to law school, focusing on the identification of minority and other disadvantaged students who had the potential for successful entry into the legal profession despite their lack of traditional admissions criteria. This focus has changed slightly and is changing further as we learn more about the educational process generally, and legal education, in particular. A bit of history is the most efficient means of explaining how this change has occurred.

Prior to the post-World War II education boom, the traditional approach to law school admissions was to enroll nearly all students who could pay the tuition (except at those schools that were admittedly discriminatory) and weed out the non-lawyers on the basis of law school performance, particularly at the end of the first year of law study. In that era, admission to the profession was determined almost solely by performance in law school, subject to limited further evaluation by bar examinations. The vastly increased number of law school applicants in the post-war era gave rise to the Law School Admission Test (LSAT), which was first administered in 1948, was in widespread use in the mid-50s and in almost universal use by 1960. In the 1960s it became a dominant factor in the admissions process for most law schools. As law schools sought to increase their minority enrollments, it became apparent that the LSAT was standing as an obstacle to this endeavor and the legal education community sought an alternative admissions device. The academic summer institutes of CLEO were conceived to perform this service.

It seemed feasible for CLEO to revitalize the concept of performance as a means of determining legal aptitude, at least with regard to minority and economically disadvantaged applicants. The institutes are based upon the premise that significant numbers of economically and educationally disadvantaged students who would be excluded from legal education through the use of traditional measures of aptitude can, with financial and academic support, successfully negotiate the law school curriculum. These institutes mirror the law school experience by providing a six-week intensive study program in legal analysis and law development and emphasize abstract thinking, legal research and legal writing techniques. The academic institutes, which are sponsored jointly by CLEO and regional consortia of ABA-accredited law schools, are staffed by regular law faculty whose primary responsibility during the institute is to evaluate each student's potential for successfully mastering the law school curriculum. Students who successfully demonstrate this potential are provided law school placement assistance and an annual stipend.

The financial component of the program is provided by way of fellowships currently limited to $1,000 a year for each successful CLEO student. The provision of the stipend is contingent upon the satisfaction of several conditions: full-time enrollment at an ABA-accredited law school in the fall term immediately following the institute and the maintenance of "good standing" status throughout the duration of the grant. Presently, over $550,000 annually is provided by CLEO to its Fellows enrolled in law school.

In addition to the summer institutes and fellowships administered by CLEO, the National Office prepares course materials, has operated an Application-Sharing Project by which promising but unsuccessful candidates are referred to other law schools, serves as a catalyst for innovative projects in admissions, cooperates and shares information with special admission programs operated by individual law schools and generally serves as a repository of data and information about legal education and the disadvantaged.

The CLEO Program has also published, in conjunction with Oceana Publications, Inc., two major hard-bound works of particular interest to legal educators and scholars. The first publication, DeFunis v. Odegaard and the University of Washington, is a three-volume set containing the complete records and briefs of the case; the second, Bakke v. Regents of the University of California, is a six-volume set similar to the DeFunis work. In addition, CLEO has published, in cooperation with the Howard University Law Journal, a special edition law review containing selected papers from a two-day symposium which commemorated CLEO's Tenth Anniversary. CLEO also has compiled statistical information to document the Program's achievements, the results of which are contained in the publication, Toward A Diversified Legal Profession (Appendix I).

CLEO REAUTHORIZATION PROPOSAL

The proposal for CLEO reauthorization under Title IX of the Higher Education Act of 1965, as amended is premised upon the continuing need for an increase in the number of attorneys from minority and economically disadvantaged backgrounds, as well as an increase in the amount of the stipend award through the CLEO fellowship.

The Need for Minority Representation within the Legal Profession

While there is evidence that minority group access to legal education has increased dramatically since 1968 in contrast to previous levels, it still appears that meaningful access to graduate and professional opportunities by disadvantaged Americans continues to be an elusive goal. The 1983 Annual Survey on Current Population Statistics of the Bureau of the Census reports that of the 612,000 lawyers in the United States, only 2.6% are Black and .9% are Hispanic. These figures represent a dramatic increase over previous levels and is attributable to the affirmative admissions efforts of more than a decade. However, when one considers the fact that the number of all minority students enrolled in law schools has stabilized at 8% over the last five years, there is little doubt that the disparity which served as a catalyst for these special efforts has yet to be sufficiently ameliorated to warrant dismantling of these programs. In fact, the Law School Admission Council (LSAC) has recently launched a major initiative designed to increase the number of minority students enrolled in law school annually to address the minority community's needs.

The effort toward meaningful economic and political participation of minorities has been diligently pursued in higher education for very cogent reasons: higher education has proven to be a more effective vehicle than most for obtaining a more equitable distribution of political influence, simply because those persons most involved in the decision-making process of this country, are, themselves, products of the higher education system. This phenomenon is particularly relevant to the legal profession given its role within the country's decision-making process generally and its historic lack of accessibility to minorities and the disadvantaged. The profession's impact on the formation of national policy is widely conceded because of the relationship of lawyers to all three branches of government, comprising almost exclusively the judicial, and significant percentages of both the legislative and executive; in fact, 50% of the current Congress is legally-trained. It is this unique role played by the legal profession that raises compelling reasons for a continued emphasis on increasing the number of attorneys from minority and disadvantaged backgrounds.

Although the media has portrayed law graduates recently as having great difficulties in securing suitable employment, it appears that law school enrollments are reflecting a relatively rapid adjustment to the forces of supply and demand. The most recent statistics show that law school enrollment has leveled-off after more than a decade of dramatic increase. The prevailing approach of legal education has been to attempt to make legal education available to all who are qualified and desire to enter the profession, leaving market forces to operate freely. This approach is designed explicitly to avoid closing or restricting access to the profession, but in a time of economic retraction, it runs the danger of reducing access possibilities not on the basis of reasonable probability of academic success but on financial grounds.

The Need for Increased CLEO Stipend Assistance

Unquestionably, the value of the $1,000 CLEO student fellowship has been affected negatively (between 1968-1983) by the inflationary economic cycle affecting the country at large. The U.S. Bureau of Labor Statistics has provided the following information regarding economic trends and their impact on the value of the dollar:

Table I
Consumer Price Index

1967 - 100.0%
1968 - 104.2%
1969 - 109.8%
1970 - 116.3%
1971 - 121.3%
1972 - 125.3%
1973 - 133.1%
1974 - 147.7%
1975 - 161.2%
1976 - 170.5%
1977 - 181.5%
1978 - 195.4%
1979 - 217.4%
1980 - 246.8%
1981 - 272.4%
1982 - 289.1%
1983 - 298.4%

Table II
Purchasing Power of the Dollar

$1,000
.960
.911
.860
.824
.798
.752
.678
.621
.587
.551
.512
.460
.405
.367
.346
.335

Table I reflects the annual average U.S. Consumer Price Index for the periods covered. Assuming that we begin with a $100 base, the value of the consumer purchasing power must increase correspondingly to the figures shown for succeeding years in order to provide the same degree of purchasing power established in 1967. Table II reflects the annual average general purchasing power of the dollar between 1967 and 1983. Assuming that we begin with one dollar ($1.00) as a base, the actual purchasing power of the dollar has decreased correspondingly by the figures shown through the succeeding years.

The figures reveal a general decline in both consumer purchase power and the relative value of a dollar by at least 67% over the period of 1967 to 1983. Hence, the CLEO annual fellowship award has decreased substantially in value to the economically disadvantaged students served by the Program.

It should also be noted that there has been a general, across-the-board decline in financial aid available to students pursuing law degrees. Furthermore, while opportunities for minorities and the economically disadvantaged have expanded, the cost of education--especially in graduate and professional schools--has continued to rise in the last decade, thereby increasing the law student's financial burden and making legal study more prohibitive for the disadvantaged student; for the 1983-84 academic year, tuition at approximately half of the nation's law schools fell within the $5,000 to $10,000 range. For the last several years, CLEO has experienced a 20% rejection rate due entirely to students' need to earn funds over and above that provided by the $1,000 CLEO stipend. In the final analysis, therefore, there is an acute need for increased CLEO stipend assistance merely to maintain the original thrust of the Program.

Since its inception, CLEO has complied with the three-pronged test set forth by the Administration for continued federal support of worthwhile programs: 1) demonstrated success; 2) fiscal integrity; and 3) substantial elements of voluntarism in the program.

CLEO is one of the few federally-funded programs of its type which has compiled substantial documentation of the program's overwhelming success. Since 1968, CLEO has provided an opportunity for law study to some 3,417 students. Available data clearly demonstrates that CLEO Fellows have attained an impressive record of achievement by any measure, including performance within the academic arena of law school, bar performance, and most importantly, the employment activities of the program's graduates. The program has produced approximately 2,000 law school graduates involved in a broad spectrum of legal and law-related activities, including judges; a law school dean; a state representative; law professors; executive administrators in various fields; Congressional staff; and lawyers (public interest, private, corporate), etc. (see Appendix). The net result of the program has been increased access to the legal system and to the decision-making machinery of the country by those who have been historically disenfranchised for reason of race and/or economic status. Thus, the CLEO model of academic and financial support is one that works!

The Program is cost-effective. While many programs have suffered substantial cost increases over the years, CLEO has been a rare exception. In the last ten (10) years, the program has continued to service its disadvantaged student population with virtually no increase in cost to the federal government. Judicious cost-saving measures have been implemented over the past several years with an eye toward fiscal austerity, including executive staff salary freezes and significant reduction in program staff; once staffed by eleven employees, the program now operates with a dedicated staff of six. A careful review of the program's budget already reveals a "bare-bones" operation.

In addition, the ABA has for years been a principal contributor in its dual capacity as one of CLEO's sponsoring organizations and administrative conduit for its funding from the federal government. The ABA contributes annually over $100,000 to the program's operation to address unanticipated financial obligations unmet by any other funding source. Additional contributions are provided by the other sponsoring organizations as the net federal funding has substantially decreased.

The annual stipend of $1,000 for each successful institute participant, as noted, is woefully inadequate by today's standards. Other federally-funded graduate and professional programs, e.g., GPOP and Public Service Fellowships, have provided stipend assistance of minimally $4,200 per year and some have had institutional support components as well. This disparity in funding levels for students funded through similar federal programs under the same legislation has substantially hampered CLEO's efforts to provide even minimally acceptable financial assistance. It was to correct this disparity in assistance, coupled with the program's impressive record of achievement, which encouraged Congress in 1980 to amend CLEO's legislation to provide new appropriation ceilings under the reauthorized Higher Education Act of 1965.

The final element of the Administration's test has also been met. Since CLEO's inception, the federal support has served as seed money for generating the revenues necessary for conduction of the academic institutes from the law school community. Initially, the non-federal share represented between 20-30% of the total institute costs. However, over the last several years, the ever-spiralling costs of legal education coupled with the effects of inflation, have thrust an even greater share of the institutes' operating costs upon the law school; given the fixed level of federal support, the law school community now absorbs approximately 60% of institute costs as a demonstration of their commitment to the program. The law schools, without federal assistance, cannot maintain the academic institutes while themselves facing reduced education budgets.

In addition, the law schools provide some tuition scholarships, as well as other forms of financial support in recognition of the CLEO Fellows' marginal economic stability. At a time when legal education is, itself, in a difficult fiscal situation, it is extremely important to realize that the $1,000,000 of annual federal support for this program generates as much as $3,000,000 in cash and services annually from the law schools. And, it is unlikely that these funds will continue to be forthcoming without the catalyst provided by CLEO. The absence of CLEO from the legal education arena and the national scene generally would serve notice to the country that the involvement of disadvantaged communities in the body-politic is no longer a social priority. When coupled with the present shift in national priorities to economic concerns, the continued viability of the CLEO program assumes symbolic proportions.

The elimination of all federal support to CLEO in FY 1985 will have an adverse effect on the program's continued viability. Because the program receives its Congressional appropriation on an annual basis, the proposed cuts would have the greatest immediate impact on the CLEO Fellows presently enrolled in law school. Their background of economic disadvantage, coupled with their receipt of the maximum in available loan resources, makes it unlikely that the modest amount represented by the CLEO fellowship can be recouped through alternative sources of financial support. For most CLEO students, the $1,000 stipend plus corollary tuition scholarships and loans mean the difference between attending or not attending law school. Thus, it can be anticipated that many will be required to interrupt, if not totally discontinue their law studies at a point close to completion.

The federal government has made a major commitment in the last decade to increasing educational opportunities for the poor and disadvantaged groups within society. This is an important commitment not only in terms of fairness, but also in terms of wise allocation of resources. Compared to many federal support programs, CLEO is impressive because the payoff is concrete, clear and quick. The modest federal support is matched several times by the substantial voluntary contributions of the law school community and is repaid to the government many times over in higher taxes from these individuals and in services to their respective communities.

Although the federal allocation for CLEO represents an extremely modest amount in the overall scheme toward fiscal austerity, its elimination will have a disproportionately negative effect on the disadvantaged communities the program services, particularly given other cuts in social programs. The legal profession is one of the most direct means by which these groups can be fully incorporated into the framework of this society and participate fully in its advantages and benefits. Recognizing that there are current demands on the federal purse that call for fiscal integrity, the very small amount of money required for CLEO can bestow huge dividends for the future.

Thank you for your time and attention.

APPENDIX

CLEO FELLOWS PERFORMANCE DATA

Implications for Affirmative Admissions after Bakke

Preliminary Analysis of Academic and Bar Performance of Council on Legal Education Opportunity Program Fellows, 1968–1978

Wade J. Henderson, *Executive Director, CLEO*
Linda Flores, *Associate Director, CLEO*

I. INTRODUCTION

It may well be an understatement to call *Regents of the University of California v. Bakke*,[1] the most significant United States Supreme Court decision affecting the interests of this country's minority groups since *Brown v. Board of Education.*[2] No case in recent years has generated such widespread public concern and excitement as *Bakke*; a record sixty-two *amicus curiae* briefs representing various political interests were presented to the Court for consideration. Poitical demonstrations, both pro and con, over *Bakke* and its suspected impact in the area of minority group access to higher education versus the rights of the "individual" dominated media coverage. Justice Thurgood Marshall, after providing the court in *Bakke* with an impassioned historical analysis of the evolving political status of America's minorities, went on to state:

> I fear that we have come full circle. After the Civil War our government started several "affirmative action" programs. This Court in the Civil Rights Cases and *Plessy v. Ferguson* destroyed the movement toward complete equality. For almost a century no action was taken, and this non-action was with the tacit approval of the courts. Then we had *Brown v. Board of Education* and the Civil Rights Acts of Congress followed by numerous affirmative action programs. Now, we have this Court again stepping in, this time to stop affirmative action programs of the type used by the University of California.[3]

Justice Marshall's implication is clear and unmistakable. Just as the Court effective ended America's first "Reconstruction", it was feared that it may have signaled with *Bakke* an end to the "second" as well.

There is much irony associated with Justice Marshall's dire prediction regarding the possible end of the "second reconstruction." For some, there is an inherent assumption that minority group economic, political and social gains during the approximately twelve-year period of affirmative action in higher education and employment have been immense; so immense in fact that some would proffer that there has been a declining significance of racial prejudice as a major determinant in the social advancement of minority group individuals.[4] And while there is evidence that through affirmative action admissions minority group access to higher education increased dramatically in contrast to previous levels of enrollment, there is also data which justifies less enthusiastic conclusions as well.[5]

It appears that meaningful access to graduate and professional opportunity by minority group Americans continues to be an elusive goal in the quest for greater economic and political participation in the mainstream of society. Although significant numerical increases have been achieved vis a vis minority access to all levels of participation in higher education (when compared with pre-affirmative action period enrollment figures), the goal of parity in the percentage of minority individuals in particular academic disciplines in comparison with their representation in the population at-large is still a distant dream.[6]

Although affirmative action admission programs have been initiated in one form or another at graduate and professional levels within most academic disciplines, shifting social priorities, public misperception of actual minority achievement and a shifting economy have served to undercut substantially the reserve of "good will" which provided such a compelling catalyst to initiate many of these programs in 1968. There are numerous reasons (which will not be discussed herein) for this shift in attitude and support regarding aspirations of Blacks and other minorities for greater access to higher education opportunity. However, a review of enrollment patterns in law, medicine, engineering and business during the period 1968 to 1978 reveals, at best, a marginal "stabilization" of fairly minimal representation by minorities in these disciplines; or, at worst, they seem to project a decline in overall access to future opportunity in several select areas.[7] Based on these figures alone, the projection of significant social gains by minority groups through access to higher education opportunity, at least in the 1980's, does not appear overly promising.

II. LEGAL EDUCATION

An examination of the enrollment patterns of Blacks and other minority groups in legal education is typical of the data in the other disciplines noted. Between 1969, the advent year of race-conscious affirmative admissions in law schools, and 1979, enrollments in American Bar Association-approved schools swelled from 68,386 to 122,860 or 79.6%.[8] The reasons for this somewhat phenomenal growth are many, however, they can be distilled into essentially one factor. Over several decades, primarily because of social pressures and by government action, the relationships, rights and obligations of many persons and groups have been cast in legal terms. This has resulted in thrusting more of the problem-solving efforts of society onto the legal system, and made access to the legal profession critical in the vindication and determination of rights.[9]

During the early period of affirmative admissions, women and minorities were co-equals on the bottom rung of the admissions ladder. In 1969 women constituted 4,715 of the total or 6.89%; total minority enrollment reached 2,933 (4.29%), with more than one-half of that number derived from first-year admittance. Specifically, Black enrollment 2,128 (3.11%), and for other groups at this time, figures were even less substantial: Mexican-American enrollment totalled 412 (.6%); Puerto Rican representation numbered 61 (.08%); Pacific Islanders numbered 480 (.7%); and other Hispanics and American Indians equalled 75 (.11%) and 72 (.11%), respectively.[10]

In 1974 when the first significant judicial challenge to race-conscious admissions, *Defunis v. Odegaard*,[11] was heard by the Supreme Court of the United States, total law school enrollment had reached 110,713, or 42,327 more students than in 1969 (68,386), an increase of 61.9%. Black enrollment had grown by 134.7% in that same time to 4,995 students, an increase of 2,867 students; but Blacks still represented only 4.51% of the total law school enrollment. Similar numerical increases were achieved by other minority groups, yet marked underrepresentation overall continued to characterize the comparisons:

TABLE I

	1974 Enrollment	% Increase	% of Total Enrollment
Mexican-Americans	1,357	229.4%	1.23
Puerto Ricans	263	331.2%	.24
Asian/Pacific Islanders	1,063	121.5%	.96
Other Hispanics	387	416.0%	.35
Amer. Indians/ Alaskan Native	265	268.1%	.24

Interestingly, 21,788 women had come to represent 19.7% of the total enrollment figure by that time, a numerical increase of 17,073 students and a percentage increase of 362.1%.[12]

By 1978 when the court had rendered its opinion in *Bakke*, total law school enrollment had expanded to 121,606 students, an increase over the '74 figures of 10,893 or 9.8%. Women, on the other hand, had far out-stripped this growth for the same period, from 21,788 to 36,808, an increase of 15,020 students or 68.9%.[13]

Both Black and Mexican-American enrollment for the 1974-78 period remained relatively constant: the former rose from 4,995 to 5,350, a net increase of 355 students (7.1%) and the latter increased from 1,357 to 1,462, representing an overall increase of 105 students (7.7%). Of all groups examined only total male enrollment for the intervening years between *DeFunis* and *Bakke* actually decreased in number from 88,925 in 1974 to 84,798, a drop of 4.6%.[14] It is important to note that the decline in male enrollment occurred at a time when total law school enrollment expanded considerably.

Although covering only one discipline, the forgoing statistics seem at substantial variance with the general public perception regarding the actual numerical impact of race-conscious affirmative admissions programs on total law school enrollments. Beginning ostensibly with *DeFunis*, the sensationalist response of the media and political action groups' notions of "reverse discrimination" have helped create an impression among the public that race-conscious admissions of Blacks and other minorities served to bar "legitimate," merit-based enrollment of White males. Often it was implied and widely believed that but for the existence of an affirmative action program, a denial of admission to a seemingly qualified White male would never have occurred.[15]

In reality, minority enrollment programs in law schools were never a significant factor in the continued declining enrollment of the seemingly threatened White male. From 1974-79 the Black student enrollment average "stabilized" at roughly 4.5% over the five-year period; it has yet to exceed the high percentage achievement of 1976 when Blacks constituted 4.69% of total enrollments and Chicano enrollment rose to 1.27% of the total. And although the other minority groups experienced some increases, the overall enrollment for all but one of these groups has remained under or close to .5% of the total law school enrollment.[16] As noted earlier, legal education underwent considerable expansion of available seats to accommodate increased interest. However, such an expansion could not keep pace in maintaining the status quo (in terms of the 1974 ratio of men to women) with the new applicant pool of highly qualified women.

Note further, that although opportunities broadened through the establishment of more law school seats, not one new school accredited by the ABA between 1968 and 1979 was affiliated with a predominantly Black institution. Of the 169 schools presently approved by the ABA only four (4) are affiliated with historically or predominantly Black schools (Howard University, Texas Southern University, North Carolina Central University, and Southern University).[17]

In the final analysis, it appears that race-conscious affirmative admission in law schools has "taken the fall" in a misperceived conflict for public support pitting the rights of the individual against the interests of minority groups. The apparent tightening of the enrollment of White males occasioned primarily by the expansion of women's enrollment has received little public attention. The irony, of course, is that increased affirmative recruitment of women for law study was based in part upon the successful political inroads and arguments established by Blacks and other racial/ethnic minorities.

The vulnerability of race-conscious admissions, in federal constitutional terms and politically, in contrast to the relative acceptance of the increased admission of women, is in large measure responsible for the proliferation of legal attacks on special admission programs. Although minority groups and women have been victims of active discrimination in admission to law schools, the rationale underlying this discrimination and the remedy for each is completely different. Because many women have presented general admission qualifications equal or superior to the prevailing standard in law schools,[18] the remedy to the problem of their discrimination in admission and their underrepresentation in the profession had a somewhat simplistic solution which required little alteration to the existing "meritocratic" selection process. Active recruitment and an end to discrimination based on sex alone have been sufficient to increase dramatically the number and percentage of women in law schools.

Race-conscious admission as a remedy to the pervasive effects of past discrimination against minorities has required, in addition to special sensitivity in recruitment, dual admission criteria (separate from the prevailing standard) because of the disparate academic credentials (particularly standardized tests scores) of many minority applicants. And although necessary to the early success of programs to increase minority enrollments, it is the existence of dual criteria in admission without a sound juridicial and/or theoretical foundation which continues to pose a dilemma for greater access by Blacks and other minorities to a legal education. This may well have been the central message underlying the Court's views in *Bakke.*

On the question of race-conscious admissions, it has been difficult to decipher *Bakke's* true meaning for the country as a whole and for minority groups in particular. From a legal standpoint, *Bakke* said very little. With seemingly fragmented opinions and little solid philosophical consensus, the *Bakke* decision may not be an accurate prediction of the Court's future direction; *Bakke* may or may not speak authoriatively to similar litigation in the same area. Only subsequent litigation and judicial refinement will shed any real legal insight beyond what we already know. However, and lest we forget, *Bakke affirmed* the positive use of race within the admission process to higher education,[19] and in so doing, sanctioned the legitimate consideration of past discrimination against racial groups as a basis for voluntary remediation.

In several aspects, *Bakke* was more than just a court decision; it was a national phenomenon. As Justice Marshall implied, *Bakke* may have been symbolic of a public policy shift portending cataclysmic impact on a range of questions involving minority group aspirations beyond 1980. *Bakke* is unquestionably reflective of a peculiar state of mind precipitated by America's current economic condition. But on its underside, *Bakke* is also an attack on the concept of "group remedy" for the legatees of group injustice. Hence, *Bakke* pits notions of individual rights against the rights of historically disenfranchised groups.

In many ways, *Bakke* begged far more questions than it answered. This is attributable not only to the scanty evidentiary record at trial, but also to the inherent limitations placed on any judicial review of a major social policy issue. The record number *amici* briefs posed questions ranging from social policy concerns, through testing, to the question of the decision's general economic impact and beyond. To some extent, the posing of a narrow question within the judicial forum may be dispositive of the final legal outcome. However, the judicial forum, as evidenced by the Court's seeming indecision in *Bakke*, may be too narrow a perspective from which to examine fully the range of questions the country posed.

Among other things, *Bakke* has highlighted the need for greater understanding of what educational measurement can and cannot accurately determine. The Court's decision could lead to inappropriate changes in admission policies in professional schools if it is seen as negating some sound practices of selection which employ both test and non-quantifiable data in decision making.[20] Consequently, the legitimacy of the testing industry and its practices must be severely scrutinized.

The twelve-year experience of the Council on Legal Education Opportunity (CLEO) has helped to shape much in the way of affirmative admission program development in legal education and may shed some light on its future after *Bakke*. Experiment, refinement, and instituionalization have earmarked much done in the name of minority group access to legal education opportunity over the last twelve years. CLEO itself can take some credit for this expansion of access to educational opportunity. Begun in 1968 through the support of two national bar associations and organizations involved in legal education and accreditation, CLEO was one of the earliest progenies of the struggle to expand educational opportunities for minority groups.[21]

Because CLEO sponsorship brought together diverse elements within the higher education community, including foundation interests and the federal government as well, the program soon became symbolic of the overall effort to broaden higher education admission beyond the law schools. The CLEO model of academic and financial support established early the validity of the program's deceptively simple, yet effective operating premise; that is, that minority and economically disadvantaged persons could be rapidly and successfully infused into legal education with no diminution in academic standards, notwithstanding measurement predictions to the contrary. Since CLEO's inception in 1968, some 2,600 persons have met the program's challenge and in the process have compiled impressive records of academic and professional achievement.[22]

However, the twelve years of CLEO have also witnessed another major educational accomplishment. With the gradual proliferation of affirmative action admissions programs has also come the increased availability of "performance related" data concerning the minority group student within affirmative action admissions. Thus, many implicit yet prevailing assumptions on minority group performance within the academic arena may now be examined in ways not previously available to us. This is no small development since many of these programs were based, initially, on untested theories regarding the academic potential of minority group students. Moreover, the opportunity to examine long-term implications and societal effects of these programs vis-a-vis the current career placement of program graduates can now be explored with more than merely theoretical projection. This information, unobtainable ten years ago, is a significant underlying consideration although totally ignored in the Supreme Court's analysis in *Bakke.*[23]

III. CLEO BACKGROUND

The Council on Legal Education Opportunity was formed in 1968 as a joint project of the American Bar Assocition, the National Bar Association, the Association of American Law Schools, and the Law School Admission Council; in 1972, La Raza National Lawyers Association became a sponsoring organization as well.[24] CLEO's programs have been designed specifically to serve those educationally and economically disadvantaged persons who, but for a program such as CLEO, would have little chance to attend an accredited law school because of economic and admission credential limitations.[25] The concerns of 1968 were concrete: less than 1% of the lawyers in this country were Black and in some states there were more than 30,000 Black residents for each Black lawyer.[26]

The present CLEO program has two central components of direct service to students in addition to its services to the law schools. The two primary student components are summer institutes for prospective law students and annual fellowships of $1,000 each to the successful graduates of the summer institutes who attend law school. The law schools individually absorb more than half the costs of the summer institutes and provide tuition scholarships, as well as financial aid to CLEO students. It is important to note that the present $1,000,000 annual federal support for CLEO generates as much as $3,000,000 of cash and services annually from law schools. Over 140 ABA-approved law schools currently enroll the approximately 550 CLEO fellows now attending law school.

The CLEO Regional Summer Institutes were originally designed to operate largely as a screening and evaluation process for minority students who would not otherwise be admitted to law school, focusing on the identification of minority and other disadvantaged students who had the potential for successful entry into the legal profession despite their lack of traditional admissions criteria. This focus has changed slightly as CLEO learned more about the educational process generally and legal education in particular. A brief review of the recent history of law school admission is the most efficient means of explaining how this change has occurred.

Prior to the post-World War II education boom, the traditional approach to law school admissions had been to enroll nearly all students who could pay the tuition (except at those schools that were admittedly discriminatory) and weed out the non-lawyers on the basis of law school performance, particularly at the end of the first year of law study. In that era, admission to the profession was determined almost solely by performance in law school, subject to limited further evaluation by bar examinations. The vastly increased number of law school applicants in the post-war era gave rise to the Law School Admission Test (LSAT), which was first administered in 1948, was in widespread use in the mid-50's and in almost universal use by 1960. In the 1960s it became a dominant factor in the admissions process for most law schools.[27] As the schools sought to increase their minority enrollments, it became apparent that the LSAT was standing as an obstacle to this endeavor and the legal education community sought an alternative admissions device. The summer institutes of CLEO were conceived to perform this service.

It seemed feasible for CLEO to revitalize the concept of performance as a means of determining legal aptitude, at least with regard to minority and economically disadvantaged applicants. The summer institutes offered mini-courses in substantive law along with legal research and writing. Initially, they were largely experimental and varied in program format; some were primarily remedial, some attempted only to identify students who showed promise of succeeding in law school, and others aimed at orienting students to the study of law. While the institutes still reflect a combination of these elements, their format and primary aim has solidified. In general, greater emphasis is placed on orientation of the students to law school methodology and on evaluation of the law aptitude and potential of the student, while remedial aspects are minimized.[28]

The second component of the current CLEO Program is the provision of fellowships to the students who go on from the summer institutes to law school. These fellowships are provided under Title IX of the Higher Education Act of 1965, as amended[29] and are currently set at $1,000 per year. These fellowships are to be used exclusively for living expenses. Each law school admitting a CLEO student makes a commitment to provide tuition, sometimes in the form of a tuition rebate, sometimes through the use of otherwise available scholarship funds, and more frequently through the use of loan funds.

In addition to the summer institutes and fellowships administered by CLEO, the National Office prepares course materials, has operated an Application-Sharing Project by which promising but unsuccessful applicants to CLEO are referred to selected law schools, serves as a catalyst for innovative projects in admissions, cooperates and shares with special admission programs operated by individual law schools and generally serves as a repository of data and information about legal education and the disadvantaged.

The CLEO Program has also published, in conjunction with Oceana Publications, Inc., two major hard-bound works of particular interest to legal educators and scholars. The first publication, *DeFunis v. Odegaard and the University of Washington,*[30] is a three-volume set containing the complete records and briefs of the case; the second, *Bakke v. Regents of the University of California,*[31] is a six-volume set similar to the *DeFunis* work. In addition, CLEO has published, in cooperation with the Howard University Law Journal, selected papers from a two-day symposium which commemorated the program's Tenth Anniversary in 1978.[32]

CLEO has come to accept the principle that the concept of economic and educational disadvantage in the face of a baccalaureate degree is not married to the concept of race. "Traditional" admissions criteria have had the effect of excluding many disadvantaged persons from law school regardless of race. Frequently, the CLEO participant is one who, by reason of cyclical poverty and attendant educational deficiency, may have experienced initial difficulty in adjusting academically to the college environment. His or her cumulative grade point average, however, may reflect an upward trend characterized by marked improvement during the third and fourth years. A large number of CLEO students have also, because of their disadvantaged background, attended undergraduate colleges that are less demanding academically than the more prestigious institutions that furnish candidates for law school. When these factors are produced by membership in an isolated group, whether minority or White in ethnic terms, the student fits the concept of disadvantaged.[33]

In response to its own thought processes and the needs of society, CLEO broadened its concerns several years ago to encompass disadvantaged White students. One readily identifiable target population of disadvantaged White students from which CLEO draws can be found in Appalachia. Yet, it comes as no surprise that the ratio of minority students in the CLEO Program remains overwhelmingly high.

The argument is often heard that no person with a baccalaureate degree can be considered disadvantaged, since he or she has an advantage over a large portion of the population. What should be remembered, however, is that this same person can be disadvantaged with respect to other college graduates attempting to enter the legal profession. The patterns that have in the past kept these groups seriously underrepresented in the socially and economically powerful institutions of society and prevented their ready access to the mechanisms for peaceful dispute resolution through the legal system will continue as part of the cyclical poverty to which this Program is addressed. This is the concept of disadvantaged with which CLEO is now working, a concept that recognizes the potential of disadvantaged for both Whites and minority groups.[34]

IV. OBJECTIVES: PROGRAM FOCUS

CLEO's purpose is to increase the number of attorneys from economically and educationally disadvantaged backgrounds. As presently structured, the program includes a six-week, in-residence summer program which is premised upon the following hypothesis: that significant numbers of disadvantaged students who would be excluded from legal education through the use of traditional measures of aptitude can, with financial and academic support, successfully negotiate the law school curriculum. The net result: increased access to the legal system and to the decision-making processes of the country by those who have been historically disenfranchised for reason of race and/or economic circumstance.

Admission to CLEO is contingent upon two primary factors: economic-background eligibility and the prospect for successful matriculation in law school as indicated by the applicant's complete academic profile, notwithstanding marginal performance on the Law School Admission Test.[35]

Although CLEO conducts a more comprehensive approach to selection in its emphasis on non-quantifiable data, the academic screening for the program must still take into account prevailing admissions standards of law schools. CLEO reviews an applicant's entire file to determine what the prospects are for placement in law school once the summer institute experience has been completed. Persons whose records show little real prospect for admission to accredited schools (usually because of extremely low LSAT scores) are not generally accepted. But, neither does CLEO attempt to select merely the best credentialed applicants.

Many persons who have performed exceptionally well in undergraduate school and on the LSAT would benefit less substantially from the summer institute experience because their admission to law school is less likely to be contingent upon this additional measure of performance potential. Most such applicants who may be otherwise disadvantaged are ably recruited by law schools and can successfully compete for institutional and university financial assistance; therefore, to increase the *overall* number of minority and economically disadvantaged members of the legal profession, the program focuses upon a "middle" group. In quantifiable terms, this "middle" group has been established within a range of 350 to 525 on LSAT performance, and an average undergraduate grade point average of 2.82.[36] However, because present funding restrictions limit financial assistance to successful institute participants, CLEO looks to persons who manifest an ability to negotiate law school and in whom law schools, in cooperation with CLEO, are willing to devote substantial attention and resources.

Emphasis in the institutes is placed on the orientation of the student to the law school experience and the evaluation, in a classroom situation, of the law aptitude and potential of the student. As noted previously, compensatory and remedial academic aspects are now minimized.

The curriculum of the summer institutes focuses on two central aspects: the methodology of legal analysis and law development (using specifically structured substantive law courses as vehicles) and the evaluation of students' ability to master it. At a minimum, a summer program's curriculum—which is approved by CLEO's governing board—includes specially-tailored courses which are derived from the first-year law school curriculum and which emphasize abstract thinking methods of legal analysis and synthesis, as well as, legal research methods and techniques. The summer institutes are structured to include such courses as torts, contracts, property, criminal law, etc. Efforts are made to select manageable legal cases which are not generally repeated in the first year of law school; in this way program participants are not lulled by the false belief that they have received a substantive "head-start" on their formal legal training. Each institute also offers a detailed legal writing course which focuses on outlining, organizing thoughts, developing argumentative essays, researching and generally committing to writing legal analyses and responses to problems given in the substantive courses. From 35-50% of the summer institute curriculum is devoted to this purpose.[37]

The intensive course of study covers a six-week period, wherein one-half week is reserved for student evaluations, including "one-on-one" faculty-student performance reviews of institute participants' work. The summer institutes begin in mid-June and end by July 31st of each year; this schedule is designed to permit maximum program impact on the law school admission process on behalf of successful CLEO participants. Exclusive of tutorial sessions, program participants receive 14 to 16 class contact hours per week. Through constant feedback between the professor/teaching assistant and student, an individual can identify not only academic problems, but also areas of strength—the central focus of the institute program. In this manner, a participant gains confidence in him/herself, as well as in his/her abilities.

Each institute also attempts to establish a close rapport between professors, teaching assistants, and students in an informal atmosphere. Teaching assistants are each assigned a specific number of students, live in the same dormitory facilities as the students, and attend classes with them. A student thus can obtain academic assistance as needed.

V. DATA RETRIEVAL PROCESS

In view of the upcoming legislative reauthorization of CLEO, the CLEO National Office initiated a comprehensive survey in the summer of 1978 to compile relevant data on the performance of the over 1,400 Progrm participants during their matriculation in law school. While data on the three-year law school performance of CLEO Fellows is readily available from the law schools via academic reporting requirements associated with each Fellow's continuing fellowship eligibility, additional data on post-law school performance (i.e., bar data and career patterns) has been difficult to obtain. Although the National Office attempts to solicit this information annually from graduating CLEO Fellows, the data on hand remains incomplete. This has resulted primarily from a failure of CLEO Fellows to remain in contact with the National Office, particularly after graduation, and is further compounded by the typically transient nature of the law graduate vis a vis his/her place of residence.

As a device to initiate the survey, it was determined that CLEO's Tenth Anniversary Commemorative Symposium, held at Howard University School of Law in the Fall of 1978, could provide a unique opportunity for re-establishing contact with the more than 1,400 CLEO Fellows. The Symposium, therefore, served as the launching point for generating the interest and cooperation of CLEO Fellows in supplying the relevant performance data.

The National Office conducted a review of its internal program files to begin the process of locating Program Fellows. Recognizing that the information contained in the CLEO file would, in many instances, be outdated, it was determined that a process for address verification was necessary. Initially, the process focused upon data obtained by way of the law schools from which the Fellows graduated. Acordingly, a solicitation to all of the then 164 ABA-approved law schools was sent requesting the addresses for all CLEO students having attended their law school since the inception of the Program in 1968, accompanied by a list which denominated each CLEO student by year of law school entry.

The law schools proved cooperative in supplying the addresses which they had on hand. However, in many instances, the information provided proved inaccurate; apparently, many of the schools encountered CLEO's similar difficulty in keeping track of the location of their alumni. Also, a few schools refused to disclose the data, maintaining that student privacy rights precluded the dissemination of the information requested, although at least one law school in this latter category forwarded CLEO's inquiry directly to the Fellows themselves.

Upon receipt of addresses from the law schools, a package of information regarding the upcoming Symposium was mailed to each CLEO Fellow. In many instances, these Symposium packages were returned to CLEO; obviously, the initial success of the venture was entirely contingent upon the accuracy of each law school's address data for its graduates. However, most were not returned to the National Office, nor did we receive the return postcard provided from them.

After the Symposium, a second mailing to those CLEO Fellows who had provided their current address via the return postcard was conducted. This package was directed principally at stimulating support for CLEO's reauthorization effort in Congress and included a general letter explaining the reauthorization campaign and the need for their assistance and cooperation, the questionnaire regarding employment and bar performance data, and a request for address information on fellow CLEO participants. It should be noted that the questionnaire and the law school reporting files have been, and continue to be, the central components for obtaining the data for the CLEO Fellows Performance Survey.

Because current address information on CLEO Fellows remained difficult to obtain, the data retrieval process developed more slowly than was initially anticipated. The first stage of the process was completed by mid-December, 1978 with more than 1,200 mailings to CLEO Fellows, based on information obtained from both the law schools and CLEO's program files. However, although response questionnaires from the initial mailing were encouraging, by June 1979 the National Office had received only 300 responses. The information was viewed as an insufficient basis for the more thorough study initially envisioned. Therefore, a secondary effort relating to identification of current address information was devised to obtain additional data.

The revised strategy to obtain accurate address information centered on secondary sources which included the enlistment of past Summer Institute Directors' support for the project. This approach was precipitated by offers of assistance from the Directors themselves who had been apprised of CLEO's reauthorization objectives. Because several of the Program's Directors indicated that they had maintained regular contact with Fellows who had participated in their respective Institutes, the National Office, after synthesizing the results of its two previous efforts, compiled a list of CLEO Fellows for whom current address information remained outstanding. The various lists, developed according to the Summer Institute attended, were forwarded to the respective Institute Directors to obtain any address data available to them. Sample questionnaires were provided as well so that they might be fully informed as to the kind of information being sought from the CLEO Fellows.

In total, the Survey produced bar performance data on approximately 690 CLEO Fellows and employment information for approximately 305. The following tables provide the information on CLEO Fellows' performance in various categories.

TABLE II**

CLEO PARTICIPANT DATA REPORT (1968-1979)

	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	Total
Number of students participating in CLEO since its inception	161	448	212	221	217	233	225	251	220	221	217	224	2,850
Number of students successfully completing summer institute	151	444	197	210	123	229	225	244	216	208	213	222	2,722
Number of summer institute graduates entering law school	131	400	191	207	210	218	219	234	205	197	203	214	2,629
Number of students who have graduated from law school	83	292	130	138	142	158	161	157	149	NA	NA	NA	1,410
Number of students enrolled in law school receiving CLEO stipends									6	152	159	206	523
Number of students enrolled in law school *not* receiving CLEO stipends									10	2	7	7	26
Total number of students enrolled in law school									16	154	166	213	549
Number of law school graduates who have passed the bar examination	69	176	83	63	56	53	55	47	3	NA	NA	NA	605
Number of law school graduates for whom CLEO has no bar data**	8	85	38	71	81	97	98	98	145	NA	NA	NA	721
Number of law school graduates who failed the bar examination	7	30	10	3	5	8	6	12	NA	NA	NA	NA	81
* Didn't take				1*			2*						+3
Number of students who audited the summer institute programs	0	1	6	3	1	16	23	5	9	11	19	6	91

**Bar information is grossly understated. The CLEO National Office has been conducting an extensive survey over the past year of *all* CLEO law school graduates to determine more accurate bar statistics. This information is not generally known by the law schools and can only be ascertained with accuracy if it is known in which of the fifty (50) jurisdictions an individual sat for an examination. The survey, when completed, will hopefully provide more satisfactory statistical results.

TABLE II (con't)

Number of students who have deferred entrance, withdrawn or failed in law school

	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Deferred entrance	-	-	-	-	-	-	-	-	-	4	3	5
Leave of absence	-	-	-	-	-	-	-	4	1	3	-	-
Academic dismissal	21	52	43	49	31	30	31	29	24	23	-	-
Withdrew-good standing	1	7	10	10	7	1	4	-	-	-	-	-
Withdrew-failing	8	18	7	5	1	3	3	-	-	-	-	-
Withdrew-military	5	6	-	-	-	-	1	-	-	-	-	-
Withdrew-illness/death	1	4	-	1	-	3	2	1	1	2	1	-
Withdrew-financial	-	2	-	1	2	-	-	-	-	1	-	-
Withdrew-unknown	12	18	1	4	28	23	18	18	10	11	9	1
	48	108	61	70	69	60	59	52	36	47	13	6

Unknown Academic Status: Some law schools became reluctant in 1978-1979 to release academic data on CLEO students. The academic status of the following students is presently unknown.

1975	1976	1977	1978	1979	Total
25	6	5	4	0	40

Number of CLEO students presently enrolled in law school —by ethnic breakdown

	1976	1977	1978	1979	Total
American Indian	-	-	-	3	3
Appalachian	1	-	-	1	2
Asian American	-	5	4	5	14
Black	8	80	102	111	301
Black Panamanian	-	-	1	-	1
Black West Indian	-	1	-	-	1
Caucasian	-	2	2	6	10
Chicano	6	44	34	55	139
Cuban American	-	3	2	5	10
Dominican American	-	-	1	-	1
Filipino American	-	-	-	1	1
Hawaiian	-	-	1	-	1
Italian American	-	-	1	-	1
Puerto Rican	1	17	16	18	52
Spanish Surname	-	2	2	2	6
Other Groups	-	-	-	5	5
Total	16	154	166	213	549

By sexual breakdown

	1976	1977	1978	1979	Total
Male	4	83	84	102	273
Female	2	69	75	104	250

Anticipated law school enrollment of CLEO participants in 1979-80:	220
Number of law schools which have participated by accepting CLEO students:	144

The difficulties encountered in retrieving useful data through the CLEO Fellows' Survey has highlighted a common problem in research about affirmative action admission programs in legal education. With few exceptions, most law schools have incomplete data, at best, on the actual academic performance of students admitted via these programs. As for bar perfomance and employment experiences, these categories are even more incomplete.

The dearth of concrete data in this area is reflective of several considerations: First, many schools appeared reluctant to organize data based on race for fear that the information obtained could be misused and/or misunderstood as to its intended purpose. Secondly, to the extent that some of the early returns in reference to the academic performance of some "specially admitted" students were lower than perhaps expected, it was thought that too great an emphasis on this aspect of the affirmative action admissions questions, particularly through studies focusing only on those students specially admitted, would be premature and contrary to the best interests of these programs. Although marginal performance by some students in these programs should have been anticipated for numerous, valid reasons, such fears of misuse of the data and misunderstanding as to its collection precluded the gathering of information which would ultimately be useful.

VI. DATA ANALYSIS: CLEO FELLOWS' ACADEMIC AND BAR PERFORMANCE DATA

A. Scope of the Survey

The survey of CLEO graduates' academic and bar performance data involved 690 Program Fellows primarily from the entering classes of 1968 through 1975, that is, the law graduates of the classes 1971 through 1978. The survey represented a 48.9% response from the total available pool of 1,410 CLEO law school graduates during the time period covered. It should be noted that no significant data on bar performance and employment pursuits is yet available from the CLEO entering classes of 1976 through 1979: the 1976 entering class (i.e., 1979 law graduates) has not yet been fully surveyed; the entering classes of 1977 through 1979 are currently enrolled in law school.

Table III presents figures reflecting both the number of responses received per class, as well as the total number of students per class who were eligible to respond to the survey. As can be seen, the highest level of response by percentage of those eligible to respond were obtained from the earlier classes of the Program, i.e., 1968 to 1971. While it has been difficult to ascertain the factors behind the high frequency of response from students in earlier years of the program, it may well be attributable to a particularly strong sense of identification with the program and a sense of collegiality which seems to have been shared among the students in these early CLEO classes. To the extent that "word-of-mouth" contact among Fellows may have influenced the number of responses received, the highest numbers from earlier years may also reflect an increased level of continuing personal interaction.

TABLE III

Class	Absolute Freq. Response	Adjusted Freq. %	% of Responses for Total Class
1968	75 (83)	10.9	90.4
1969	207 (292)	30.2	70.9
1970	91 (130)	13.3	69.2
1971	66 (138)	9.6	47.8
1972	61 (142)	8.9	43.0
1973	61 (158)	8.9	38.6
1974	65 (161)	9.5	40.4
1975	57 (157)	8.3	36.3
1976	3 (149)	0.4	2.9
No Data	4		
	690 (1410)	100.0%	48.9

Employment status may well be another factor which may help to explain the higher frequency of response from graduates of the earlier years. Graduates of the entering classes of 1968 through 1971 have been in the profession for a minimum of six years; their employment data tends to reflect a career pattern of work experiences which are consistent with the early professional experiences of most lawyers. It appears that the first few years of a lawyer's work experience after graduation are used to sharpen practical skills and to secure varied professional experiences. After the first five years or so a pattern of longer-term work experiences seem to emerge, with lawyers shifting emphasis from a variety of experiences to the development of areas of specialization. Data from Fellows of the earlier years tend to reflect the higher salaries and the greater measure of professional "stability" with longer-term professional relationships than is evidenced by more recent graduates.

B. LSAT and UGPA Data

Tables IV through Table VI provide an interesting, though limited, basis for comparison of the typical law school admissions profile between CLEO and non-CLEO law school matriculants using quantifiable variables such as undergraduate grade point average (UGPA) and performance scores from the Law School Admission Test (LSAT). In addition, data on the variables of race/ethnicity are also supplied, and may help to establish a more accurate view of the typical survey respondent.

Of the 664 Fellows for whom we had admission test score data, the mean score of performance on the LSAT was 422 (score range: 200-800), mean UGPA was 2.76 on the scale of 4.00=A. While it is difficult to make many meaningful comparisons in the law school admissions profile using the undergraduate grade and pre-law test performance of CLEO and similarly-credentialed non-CLEO law school matriculants, it can be said generally that the overall admissions posture of these two groups was consistent. No law school can make predicatively valid admissions decisions utilizing only data from isolated variables without other indicia of student performance capability. In the case of both mean UGPA and LSAT of the CLEO Fellows surveyed, it would be improper to project these factors alone as indicative of the potential law school performance projected for this group at large. This approach would be particularly improper given the weight accorded to non-quantifiable data by most of the law schools which admitted these CLEO students.

However, mean UGPA and LSAT data presents a useful basis for review between CLEO and non-CLEO law school students, particularly when variables of race/ethnicity and subsequent law school performance (Table VIII) are factored into the analysis. For now, suffice it to say that the mean LSAT performance at 422 is currently well below the national norm average of 551.9.[39] It should be noted here as well that although the mean CLEO LSAT data reflects an average composite score drawn over several years of individual scores, there has been no loss in the general reliability of the measuring instrument; the LSAT has not been subject to the same inflation factors which have affected other academic measurements such as undergraduate grades.

TABLE IV
STUDENTS' LAW SCHOOL ADMISSION TEST SCORES

Mean	422.33
Median	426.64
Standard Deviation	69.85
Minimum	200.00
Maximum	663.00

Valid cases=664
Missing cases=26

TABLE V
STUDENTS' UNDERGRADUATE GRADE POINT AVERAGE

Mean	2.76
Median	2.78
Standard Deviation	0.44
Minimum	1.33
Maximum	4.12

Valid cases=649
Missing cases=41

TABLE VI
STUDENTS' RACE/ETHNICITY

	No.	%
Asian American	21	3.0
Black	462	67.0
Chicano	159	23.0
Puerto Rican	22	3.2
Italian American	1	0.1
Cuban	1	0.1
Appalachian	1	0.1
Unknown	23	3.3
Total	690	100

Valid cases=667
Missing cases=23

C. Academic Performance

Tables VII and VIII reflect the law schools attended by those Fellows reporting to our survey, as well as the general academic performance of these individuals by year of enrollment. It should be noted that the students covered by the survey attended a total of 107 different ABA-approved law schools. ABA approval for the law schools attended by CLEO Fellows is significant in that the approval establishes a professionally and federally sanctioned level of minimum academic qualification to insure some uniformity in academic program provided.

Of the 107 schools attended by the Fellows surveyed, twenty-seven (27) particular schools are highlighted because of their association with a majority of students reporting; 415 of the 682 students (60.8%) for whom data on this factor is available attended one of the 27 highlighted schools. It should be noted as well that the highlighted schools present a varied cross-section of institutions currently serving the interests of legal education, including many schools noted nationally for their solid academic program and rigorously applied academic standards. This factor was considered significant because the data on Fellows' academic standing reflects a surprisingly successful record of performance for the period of law school enrollment.

Table VIII presents the academic standing (and hence, the overall academic performance) of the Fellows surveyed over the three years of law school enrollment. Because it would be virtually impossible to convert individual law school grades to a consistent and uniform standard, given the inherent differences in the grading processes of the individual schools, this paper utilizes general "academic standing" at the conclusion of a given year as the measure of student performance. The variable for academic standing was established as the minimum requirement for the maintenance of "good standing" status as determined by the law school in question. Any variation to the law school's numerical minimum was characterized as less than "good standing" regardless of how this variance was termed by the law school itself.

In the first year of law school, 87% of those Fellows surveyed were reported to be in good standing at the conclusion of that period. At the conclusion of the second year of law study the number of students in good standing rose to 94.1%; and in the third year the number rose to a seemingly phenomenal 99.6% in good academic standing.

A number of cautionary caveats may be in order when interpreting the data on CLEO Fellows' academic performance. First and most apparent, all CLEO Fellows covered in the survey, which includes an analysis of law school *and* bar performance, are (by their inclusion in the survey) law school graduates. Secondly, had *all* Fellows who have graduated from law school during the period covered been included in the analysis, these overall figures may have been affected. Thirdly, the successful performance of CLEO Fellows in law school (particularly beyond the first year) may not be attributable entirely to the CLEO institute experience; obviously factors relating to the particular academic environment and financial cirumstance in which these Fellows found themselves impacted significantly on overall academic performance.

Yet, notwithstanding these limitations, the data on Fellows' academic performance is impressive, although little national data can be found which presents a clear picture of the minority law students' rate of retention in law schools for the time period examined. Moreover, when one considers the "predictive index" used in determining student performance in the first year of law study, the success of the CLEO Fellows looms even greater.

TABLE VII

Law School Attended; 10 or more graduates

School	Absolute Freq.	Adjusted Freq. %
1. U. Denver	32	4.7
2. U. New Mexico	28	4.1
3. UCLA	25	3.7
4. U. Virginia	23	3.4
5. U. Calif.-Davis	21	3.1
6. Wayne State U.	21	3.1
7. U. Texas	18	2.6
8. Howard U.	17	2.5
9. U. Illinois	16	2.3
10. Texas Southern U.	15	2.2
11. Georgetown U.	14	2.1
12. George Washington U.	14	2.1
13. U. Arizona	13	1.9
14. U. Southern Calif.	13	1.9
15. Temple U.	13	1.9
16. Arizona State U.	12	1.8
17. U. Calif.-Berkeley	12	1.8
18. Columbia	12	1.8
19. Harvard	12	1.8
20. U. Florida-Gainesville	11	1.6
21. U. Miami	11	1.6
22. Rutgers U. - Newark	11	1.6
23. U. Santa Clara	11	1.6
24. U. Calif.-Hastings	10	1.5
25. U. Houston	10	1.5
26. U. Iowa	10	1.5
27. Notre Dame	10	1.5
Total	415	61.2

Total Schools: 166
Missing Cases=8; Valid Cases=682

TABLE VIII

ACADEMIC STANDING	FIRST YEAR		SECOND YEAR		THIRD YEAR	
	No.	%	No.	%	No.	%
In Good Standing	594	86.1	643	93.2	677	98.1
In Less than Good Standing	89	12.9	40	5.8	3	0.4
Missing Cases	7	1.0	7	1.0	10	1.4
Total	690	100.0	690	100.0	690	100.0

NOTE: Percentages may not always sum to 100.0% due to rounding error.

D. Bar Examination Results

The performance of the minority group law graduates, particularly those who were admitted to law school by way of affirmative admissions programs, has been a continuing source of concern in legal education since 1969. From time to time, charges have been issued stating that minority group applicants to the bar do not fare as well as their White colleagues. While little concrete data of actual overall minority group bar performance has been compiled, particularly on a national level, court records from litigation filed in disputes over minority group bar admission offer some insight into this problem.[40] From a review of the statistical data on minority group bar passage rates which has been compiled for several "class action" suits alleging discriminatory practices of one kind or another, it seems fair to conclude that minority group bar performance and its relationship to affirmative admission programs represent a substantial policy question which has affected, at least subliminally, the debate surrounding the viability of affirmative action efforts.

The question of the social utility of affirmative admission as an additional basis for continuation of these programs has been called into question by bar performance of minority group applicants which is substantially at variance (at the low-end of the scale) with the prevailing norm. Litigation, particularly in "class action" suits where minority group applicants comprise the class, challenging discriminatory practices and policies in the administration of bar examinations in various states, reflects the other significant side of the issue. For understandable reasons, the boards of bar examiners of most jurisdictions contend that they do not collect statistical information based on the race of applicants. Under these conditions it is virtually impossible to check the accuracy of charges that minority group applicants are having trouble with the bar examinations in various states or to determine why this is so if the statement is accurate.

An analysis of the aggregate bar performance of CLEO Fellows may shed some light on this issue, although obviously this data can in no way address the legitimacy of claims of discrimination in the examination process itself, nor can it reflect any but the most general insights into the linkage, if any, between affirmative admissions and subsequent bar performance. The CLEO Fellows bar performance data does, however, demonstrate rather conclusively that a negative correlation between bar performance and the existence of an affirmative admissions process does not exist; and further, given the fairly national scope of the data based on graduates from many different institutions and across many different jurisdictions, that no blanket repudiation of the "social utility" argument based on bar performance alone can be established.

Tables IX and X present aggregate data on CLEO Fellows bar performance. Table IX specifically reflects the year of law school graduation and the frequency percentage of response for the Fellows who participated in the survey. A fairly broad distribution involving the years of graduation can be seen, although the frequency percentage of responses provides a fairly even basis for analysis.

TABLE IX
YEAR GRADUATED FROM LAW SCHOOL

YR.	NO.	%
1970	5	0.7
1971	48	7.0
1972	195	28.3
1973	118	16.8
1974	69	10.0
1975	61	8.8
1976	62	9.0
1977	63	9.1
1978	63	9.1
1979	3	0.4
Unknown	5	0.7
Total	690	100.0

TABLE X
RESULTS OF BAR SITTING

	No.	%
Pass—1st Try	378	54.8
Pass—2nd Try	123	17.8
Pass—3rd Try or More	81	11.7
Fail/No Pass Reported	96	13.9
Missing Cases	12	1.7
TOTAL	690	100.0

Table X reflects actual bar performance results for the Fellows who responded to the survey. It is important to note that the bar passage rates were restricted to the first jurisdiction in which a graduate sat for the bar examination. Moreover, in those few cases where no specific pass date for an examination was available to discern between a bar pass on the first or second try (e.g., a June 1973 graduate whose only recorded sitting and pass on a bar examination occurred in February 1974), it was assumed for the purpose of this study that the individual first sat for the bar in the *same* year as his graduation. Hence, the February 1974 sitting constituted the second attempt. Obviously, where no specific date of bar passage is listed, yet where bar admittance was reported, it is assumed that this admission occurred on a third or subsequent sitting.

The results of the survey of CLEO Fellows' bar performance has established that 55.8% or 378 of the 678 graduates responding passed their respective bar examination on the first sitting, and that an additional 18.1% or 123 Fellows passed on the second attempt. A total of 73.9% or 501 of the 678 Fellows who responded had passed their respective bar examination at least by their second attempt.

Comparative analysis utilizing national data would obviously strengthen conclusions which can be drawn from the CLEO survey data of bar examination performance.[41] But even in the absence of such data, the CLEO Fellows' bar performance can be viewed as significant in its own right, particularly when one examines the quantifiable data used in predicting the admission of these students to law school in the first instance. Although the predictive index analysis of quantifiable data such as LSAT and UGPA has little or no utility in predicting subsequent bar performance, the use of such data alone as a "floor" in determining which individuals should be admitted to law schools based on their probability of success in the first year must be viewed in light of additional factors such as whether a positive correlation between the quantifiable data and subsequent bar performance can be established. To the extent that such a minimum floor cannot be established, its absence may raise additional questions regarding the slavish adherence to a strictly numerical quantification of test performance and undergraduate grade point average.

VII. CROSS TABULATIONS USING VARIABLES OF RACE/ETHNICITY, UGPA, LSAT, AND FIRST YEAR ACADEMIC STANDING IN LAW SCHOOL

Given the purpose and history of CLEO, it should not be surprising that most CLEO Fellows, though chosen because of their disadvantaged background, constitute members of racial and ethnic minority groups. For CLEO's purpose "disadvantaged backgrounds" which serve as a basis for student selection are those that hinder individuals, particularly minority group members, from gaining admission to law school and from completing successfully a course of study. It was not until 1972 that CLEO broadened its selection process to include non-minority applicants in its program efforts; hence most of the 690 program Fellows covered in the survey are from designated minority groups.

In an effort to further quantify the available data on CLEO Fellows, an attempt was made to ascertain whether any statistically significant correlations exist between the race/ethnicity of a particular CLEO Fellow and subsequent academic performance. Cross-tabulations were performed on data matching the race variable with those of undergraduate grade point average, LSAT scores, first-year academic standing in law school, and the rate of bar examination passage.

Several points of interest should be noted when reviewing the next several Tables. First, approximately seventy percent (70%) of the survey pool was comprised of Black CLEO Fellows, twenty-four percent (24%) reflects Chicano participants, with approximately three percent (3%) each provided by Puerto Rican and Asian American Program Fellows. Secondly, the actual frequency of returns by the Fellows per CLEO summer institute attended is particularly well distributed.

The following three Tables of cross-tabulations reveal several interesting phenomena on the success of CLEO Fellows as they encounter the rigors of law school and the bar examination. However, to fully appreciate the significance of this data, it may be necessary to focus on the performance of an isolated racial/ethnic group.

Because Blacks constitute approximately seventy percent (70%) of the sample used for this study, they provide a useful population for analysis. Mean achievement by Black students on the LSAT of 413.98 and on undergraduate performance of 2.76 on the 4.0 scale is well below the national norm in both of these categories. Yet, eighty-five percent (85%) or 392 of the 461 students in the survey were in "good standing" at the end of their first academic year in law school. More significant still, approximately seventy-seven percent (76.9%) or 349 of the 454 students who reported have passed the bar examination on the first or second attempt. The figures for other minority groups surveyed offered similar returns.

TABLE XI
DESCRIPTIVE STATISTICS FOR UNDERGRADUATE GPA AND LSAT BY STUDENTS' RACE-ETHNICITY

Race-Ethnicity	No.	Mean UGPA	Mean LSAT
Asian American	20	3.00	463.14
Black	431	2.76	413.98
Chicano	156	2.72	437.53
Puerto Rican	22	2.93	416.62
Italian American	1	2.85	456.00
Cuban	1	2.78	436.00
Appalachian	1	2.82	529.00
Unknown	17	2.80	444.89

TABLE XII
FIRST-YEAR ACADEMIC STANDING BY RACE-ETHNICITY

RACE ETHNICITY	IN GOOD STANDING No. & % of Cultural Group	IN LESS THAN GOOD STANDING No. & % of Cultural Group	Total and % of Total Survey
Asian American	20 95.2%	1 4.8%	21 3.2%
Black	392 85.0%	69 15.0%	461 69.3%
Chicano	142 89.9%	16 10.1%	158 23.8%
Puerto Rican	20 90.9%	2 9.1%	22 3.3%
Italian American	1 100.0%	0	1 0.2%
Cuban	1 100.0%	0	1 0.2%
Appalachian	1 100.0%	0	1 0.2%
Totals	577 86.8%	88 13.2%	665 100.0%

Number of missing observations=25

NOTE: Percentages may not always sum to 100% due to rounding error.

TABLE XIII
BAR PERFORMANCE BY RACE-ETHNICITY

RACE ETHNICITY	PASS 1st TRY No. & % of Cultural Group	PASS 2nd TRY No. & % of Cultural Group	PASS 3rd TRY No. & % of Cultural Group	FAIL/NO PASS REPORTED No. & % of Cultural Group	Total and % of Total Survey
Asian American	10 47.6%	4 19.0%	1 4.8%	6 28.6%	21 3.2%
Black	262 54.5%	87 19.2%	55 12.1%	50 11.0%	454 69.0%
Chicano	85 53.8%	23 14.6%	22 13.9%	28 17.7%	158 24.0%
Puerto Rican	8 36.4%	4 18.2%	2 9.1%	8 36.4%	22 3.3%
Italian American	0	0	0	1 100.0%	1 0.2%
Cuban	1 100.0%	0	0	0	1 0.2%
Appalachian	1 100.0%	0	0	0	1 0.2%
Totals	367 55.8%	118 17.9%	80 12.2%	93 14.1%	658 100.0%

Number of missing observations=32

NOTE: Percentages may not always sum to 100.0% due to rounding error.

A. First Year Academic Standing/Summer Institute Attended

Between 1968 and 1975, a total of sixty-two (62) regional summer institutes were held under CLEO's auspices. Although similar in both concept and teaching methodology, the CLEO Summer Institutes have avoided the use of standardized curricular materials with the singular exception of the program's legal writing component, which has relied on materials separately prepared for CLEO by law professors Norman Brand and Ann Fagan Ginger.

Minimally, the curriculum of CLEO's summer institutes includes courses which are derived from first-year law school curricula and which emphasize legal methods and techniques, labor abstract thinking and deal descriptively with methods of legal analysis and synthesis. The planned course of study for each institute spans a period of five and one-half weeks with the remaining half week reserved for evaluations and one-on-one reviews of the institute participants' work. Exclusive of tutorial sessions, students receive from fourteen to sixteen class contact hours per week. Care is taken to avoid merely reducing regular law school courses to a six-week format; each selected course is cautiously circumscribed. Emphasis is placed on skills development rather than subject matter coverage.

To the extent that the CLEO Summer Institutes adhere to uniform teaching methodology, regardless of course content, the performance of the individual Fellows across the institutes should be relatively consistent. Moreover, to the extent that CLEO's Summer Intitutes perform an evaluative function for the law schools as to the performance potential of recommended graduates, one would expect a measure of uniformity in the success of candidates regardless of the law school in which a candidate might subsequently enroll.

To determine whether significant correlations could be found between the Summer Institute attended and subsequent law school performance in the first academic year, a cross-tabulation of these two variables was attempted. The percentage of graduates per institute in "good standing" at the end of the first year appears amazingly consistent over the sixty-two programs; moreover, the frequency of returns per institute is particularly well distributed. In the final analysis the reliability of the institutes' evaluation process as a measure of performance prediction, particularly for candidates from disadvantaged backgrounds, seems well-established; eighty-seven percent (87%) or 594 of the 683 CLEO Fellows surveyed were in "good standing" at the end of their first year of law study.

It is important to note as well when reviewing this data that information on the academic standing of CLEO Fellows was obtained directly from the law schools and was not obtained as a part of the questionnaire survey. The accuracy of the data, therefore, is not subject to the vagaries of imprecise, personal reporting.

TABLE XIV
ACADEMIC STANDING-1st YEAR
BY CLEO INSTITUTE ATTENDED

INSTITUTE SCHOOL	IN GOOD STANDING No. & % of Institute	IN LESS THAN GOOD STANDING No. & % of Institute	Total and % of Total Survey
1968 UCLA	19 90.5%	2 9.5%	21 3.1%
1968 U. Denver	18 85.7%	3 14.3%	21 3.1%
1968 Emory U.	15 75.0%	5 25.0%	20 2.9%
1968 Harvard U.	13 100.0%	0	13 1.9%
1969 U. Cincinnati	15 93.8%	1 6.3%	16 2.3%
1969 U. Denver	18 94.7%	1 5.3%	19 2.8%
1969 U. Iowa	21 84.0%	4 16.0%	25 3.7%
1969 Loyola U.-LA	16 94.1%	1 5.9%	17 2.5%
1969 New York U.	23 82.1%	5 17.9%	28 4.1%
1969 Duke U.	12 80.0%	3 20.0%	15 2.2%

TABLE XIV (cont'd)

INSTITUTE SCHOOL	IN GOOD STANDING No. & % of Institute	IN LESS THAN GOOD STANDING No. & % of Institute	Total and % of Total Survey
1969 U. San Francisco	15 93.8%	1 6.3%	16 2.3%
1969 Southern U.	15 88.2%	2 11.8%	17 2.5%
1969 U. Toledo	5 50.0%	5 50.0%	10 1.5%
1969 U. Virginia Charlotte	15 83.3%	3 16.7%	18 2.6%
1969 Wayne St. U.	14 56.0%	11 44.0%	25 3.7%
1970 Arizona State U.	14 82.4%	3 17.6%	17 2.5%
1970 U. Houston	13 92.9%	1 7.1%	14 2.0%
1970 Howard U.	15 100.0%	0	15 2.2%
1970 U. Miami	9 90.9%	1 10.0%	10 1.5%
1970 Temple U.	8 88.9%	1 11.1%	9 1.3%
1970 U. Washington	5 100.0%	0	5 0.7%
1970 Wayne State U.	19 86.4%	3 13.6%	22 3.2%
1971 U. California-Davis	5 83.3%	1 16.7%	6 0.9%
1971 U. Denver	7 77.8%	2 22.2%	9 1.3%
1971 U. Florida-Gainesville	14 87.5%	2 12.5%	16 2.3%
1971 Howard U.	9 90.0%	1 10.0%	10 1.5%
1971 St. Louis U.	10 90.9%	1 9.1%	11 1.6%
1971 Texas Tech U.	6 66.7%	3 33.3%	9 1.3%
1971 Tulane U.	4 100.0%	0	4 0.6%

TABLE XIV (cont'd)

INSTITUTE SCHOOL	IN GOOD STANDING No. & % of Institute	IN LESS THAN GOOD STANDING No. & % of Institute	Total and % of Total Survey
1972 U. Arizona	8 88.9%	1 11.1%	9 1.3%
1972 U. California-Davis	10 83.3%	2 16.7%	12 1.8%
1972 Howard U.	13 92.9%	1 7.1%	14 2.0%
1972 U. Kentucky	10 90.9%	1 9.1%	11 1.6%
1972 U. Oregon	4 100.0%	0	4 0.6%
1972 U. South Carolina	7 63.6%	4 36.4%	11 1.6%
1973 Arizona St. U.	12 92.3%	1 7.7%	13 1.9%
1973 U. California-Hastings	7 100.0%	0	7 1.0%
1973 Florida St. U.	12 92.3%	1 4.4%	13 1.9%
1973 U. Houston	5 100.0%	0	5 1.2%
1973 Howard U.	8 100.0%	0	8 1.2%
1973 Indiana U.	8 88.9%	1 11.1%	9 1.3%
1973 U. Washington	5 83.3%	1 16.7%	6 0.9%
1974 U. Florida-Gainesville	6 100.0%	0	6 0.9%
1974 U. New Mexico	7 100.0%	0	7 1.0%
1974 Notre Dame U.	11 84.6%	2 15 4%	13 1.9%
1974 U. Santa Clara	9 8.18%	2 18.2%	11 1.6%
1974 Seton Hall U.	8 88.9%	1 11.1%	9 1.3%
1974 U. Washington	5 83.3%	1 16.7%	5 0.9%
1974 College of William & Mary	12 100.0%	0	12 1.8%

TABLE XIV (cont'd)

INSTITUTE SCHOOL	IN GOOD STANDING No. & % of Institute	IN LESS THAN GOOD STANDING No. & % of Institute	Total and % of Total Survey
1975 Boston College	7	0	7
	100.0%		1.0%
1975 U. Houston	6	1	7
	85.7%	14.3%	1.0%
1975 U. Richmond	11	1	12
	91.7%	8.3%	1.8%
1975 U. Santa Clara	3	0	3
	100.0%		0.4%
1975 Seton Hall U.	6	1	7
	85.7%	14.3%	1.0%
1975 U. Utah	8	0	8
	100.0%		1.2%
1975 U. Wisconsin	11	1	12
	91.7%	8.3%	1.8%
1976 Temple U.	3	0	3
	100.0%		0.4%
TOTALS	594	89	683
	87.0%	13.0%	100.0%

Number of Missing Observations=7
NOTE: Percentages may not always sum to 100.0% due to rounding error.

B. Bar Passage/Law School Attended

As noted earlier, bar examination performance is viewed by many as an essential factor in determining the viability of affirmative admission programs, the policy rationale for the creation of many of these programs having been the gross underrepresentation of minority group presence in the bar. In an effort to ascertain whether the overall success of CLEO Fellows on the bar examination would remain consistent when analyzed in the context of a particular law school's graduates, an additional cross-tabulation of data was conducted pitting the individual law school attended by CLEO Fellows against the variable of bar performance.

The law schools listed in Table VII as representing those schools with at least ten graduates responding to the survey were again chosen. For the purpose of this analysis, bar passage was quantified not by the number of individual sittings, but rather by a more general category of bar passage, "at any time." In creating the more general category, it was assumed that the ultimate passage of the bar is the more important consideration when compared with whether an applicant passed on the first, second or third attempt; although it should be noted that the substantial majority of CLEO Fellows passed the bar examination on the first or second effort.

A total of twenty-six (26) law schools were involved in this analysis, representing 59.6% of CLEO Fellows surveyed or 401 of 673 valid cases. Of the twenty-six schools represented, fifteen (15) achieved a ninety percent (90%) or better rate of their graduates having successfully negotiated the bar; an additional seven (7) schools' graduates achieved a bar passage rate of eighty percent (80%) or better. The average total rate of bar passage for all CLEO Fellows surveyed was eighty-seven and one-half percent (87.5%) or 589 of the 673 valid cases.

Again, several points of interest should be noted when reviewing the following Table: First, the frequency of returns is particularly well distributed, thereby, helping to reduce concern regarding a potentially disparate or aberrational sample. Secondly, the law schools involved, and presumably the bar examination as well, reflect a broad geographic range. This factor alone helps to insure the truly national character of the data. Third, in spite of the random nature of the rate of bar passage, given the number of classes involved and the differing jurisdictions in which candidates sat for the examination, the percentage of those individual candidates who passed a bar examination remained remarkably consistent across the individual schools.

TABLE XV
BAR PERFORMANCE OF CLEO FELLOWS
BY LAW SCHOOL ATTENDED

LAW SCHOOL	PASSED A BAR EXAM No. & % of school's CLEO Fellows	FAIL/NO PASS REPORTED No. & % of school's CLEO Fellows	Total and % of Total
U. California-Berkeley	10 83.3%	2 16.7%	12 1.8%
Columbia U.	10 90.9%	1 9.1%	11 1.6%
U. Florida-Gainesville	11 100.0%	0	11 1.6%

TABLE XV (cont'd)

LAW SCHOOL	PASSED A BAR EXAM No. & % of school's CLEO Fellows	FAIL/NO PASS REPORTED No. & % of school's CLEO Fellows	Total and % of Total
Harvard U.	10 90.9%	1 9.1%	11 1.6%
U. Miami	11 100.0%	0	11 1.6%
Rutgers U.-Newark	11 100.0%	0	11 1.6%
U. California-Hastings	9 90.0%	1 10.0%	10 1.5%
U. Houston	10 100.0%	0	10 1.5%
U. Illinois	14 87.5%	2 12.5%	16 2.4%
Texas Southern U.	14 93.3%	1 6.7%	15 2.2%
Georgetown U.	14 100.0%	0	14 2.1%
U. Arizona	12 92.3%	1 7.7%	13 1.9%
George Washington U.	12 92.3%	1 7.7%	13 1.9%
U. Southern California	11 84.6%	2 15.4%	13 1.9%
Temple U.	12 92.3%	1 7.7%	13 1.9%
Arizona State U.	9 75.0%	3 25.0%	12 1.8%
U. Denver	23 71.9%	9 28.1%	32 4.8%
U. New Mexico	25 89.3%	3 10.7%	28 4.2%
U. California-Los Angeles	17 68.0%	8 32.0%	25 3.7%
U. Virginia	20 87.0%	3 13.0%	23 3.4%
U. California-Davis	15 71.4%	6 28.6%	21 3.1%
Wayne State U.	20 95.2%	1 4.8%	21 3.1%
U. Texas	18 100.0%	0	18 2.7%
Howard U.	15 88.2%	2 11.8%	17 2.5%

TABLE XV (cont'd)

LAW SCHOOL	PASSED A BAR EXAM No. & % of school's CLEO Fellows	FAIL/NO PASS REPORTED No. & % of school's CLEO Fellows	Total and % of Total
Notre Dame U.	10 100.0%	0	10 1.5%
U. Santa Clara	8 80.0%	2 20.0%	10 1.5%
TOTALS	589 87.5%	84 12.5%	673 100.0%

Number of missing observations = 17

NOTE: Percentages may not always sum to 100.0% due to rounding error.

VIII. CAREER PATTERNS

Legal education was perhaps the first professional discipline to respond to the demand for broader opportunities for politically and economically disenfranchised groups. The early organized efforts of the law schools to address the need for structured affirmative action reflect the intense interest of members of minority groups in the law as a tool for "social engineering" and societal decision-making, as much as they reflect the social conscience of the profession.

To the extent that the ultimate *raison d'etre* of any affirmative admission program in law schools is to increase access to the decision-making process of both the private and governmental sectors by members of disadvantaged groups, the career patterns of successful graduates of these programs may be the most significant measure of the success of affirmative admissions.

The assumption that minority group lawyers would return to assist indirectly minority communities has long been one of the unvalidated considerations which served to undergird principles of affirmative admissions in legal education. In both the *DeFunis* and *Bakke* challenges to affirmative admissions, the factor of additional community service to underserved minority communities was proffered as a principal justification for the continued need for such programs. However, because this assumption has remained, for the most part, unvalidated through lack of concrete documentation, the Supreme Court has been reluctant to accept this rationale at first glance.

The CLEO survey sought to shed some light on this question. Questionnare returns provided career patterns data on 305 CLEO Fellows or 21.6 percent of those candidates eligible to respond. Although by no means complete, the career patterns of CLEO Fellows is particularly interesting when viewed in the context that, but for CLEO, many of these attorneys would have been denied access to a legal education.

It is interesting to note as well that the career activities of CLEO Fellows extend well beyond the exclusive interests (as traditionally defined) of minority communities, reflecting a job dispersal and diversity of interest of considerable breadth; in reality, minority interests have never been monolithic or one-dimensional.

The following Table provides data on CLEO Fellows' employment and career activities as of 1978-1979.

TABLE XVI

Judges	
Administrative Law	3
Municipal	1
State District	2
County District Court	1
U.S. Bankruptcy Court	1
Legal Education	
Professors (Non-tenured)	4
Professors (Tenured)	1
Associate Deans	1
Associate Director - CLEO	1
Elected Officials	
State Representative	1
Full-Time Graduate School	
Candidates for LLM	1
Candidates for SJD	1

*Part-time Graduate School

Candidates for LLM	3

Undergraduate Education

Professors	5
Deans	1
Special Assistant to the Chancellor	1
Director of Fundraising for Private University	1
General Counsel for University Students	1

Attorneys in Public Sector

Assistant Prosecutors	3
City Attorneys	11
State District Attorneys	10
Federal Agencies (Administration)	1
Federal Agencies (Litigation)	25
Judge Advocates General Corps (Military)	3
Judicial Law Clerks	3
Executive Directors, Legal Services	4
Managing Attorneys, Legal Services	7
Staff Attorneys, Legal Services	32
Municipal Government (Administration)	1
Municipal Government (Litigation)	3
Municipal Government (Executive Director)	4
Public Defenders (State & Federal)	11
Public Interest Organizations (Administration)	5
Public Interest Organizations (Litigation)	1
Office of State Attorneys General	15
State Government (Administration)	2
State Government (Litigation)	11
Office of U.S. Attorney	11

Private Sector

Congressional Aides (House of Reps.)	1
Congressional Aides (Senate)	2
Corporate Practice (Litigation)	22
Corporations, Banks, Insurance Companies Accounting firms, et.al. (Administration)	5
Entrepreneur (Owner of a Real Estate firm)	1
Law Clerk	2

Partner in a Law Firm (3 or more partners in firm)	17
Private Practice (Sole Practitioner or partnership)	57
Staff Attorney in a Law Firm (3 or more partners in firm)	7
Staff Attorney in a Small Law Firm	1
Total	305

* Note: Part-time candidates are reflected only once in the total.

IX. CONCLUSION

It has been over two years since the United States Supreme Court rendered its opinion in *Bakke*. During the ensuing period, educators, test specialists, legislators and representatives of interests groups which were organized in response to *Bakke* have sought to influence, in various forums, legal education's collective response to the mandates of *Bakke*; as a legal question, *Bakke* was resolved by the Court, and the central issues remaining were shifted to the political arena.

Many assumed that the Court's decision would bring about substantial alteration to affirmative admissions; and notwithstanding the Court's affirmation that race could be used as a possible criterion in the admissions process (within defined parameters), there was fairly widespread concern, at least among some members of minority groups, that perceptible decreases in enrollment of these groups would occur. In this respect, *Bakke* appears to have had little direct impact on the enrollment patterns of minority group students in legal education.

In an article which assesses the status of affirmative admission programs in law schools one year after the *Bakke* decision, Judge Henry Ramsey, Jr., President of CLEO and Chairman of the ABA Committee on Law School Accreditation, has established through an analysis of law school enrollment data and a survey questionnaire to ABA-accredited schools that little has changed (numerically) in the actual admission of minority group students to law school.

Yet, *Bakke* left an indelible imprint on the admission policies of law schools, while simultaneously focusing America's attention on the importance of higher eduction as a gatekeeper of meaningful political and economic decision-making; the public's awareness of the political side of meritocratic admissions selection has been heightened.

Several policy questions which were posed by *Bakke*, but which received scant attention by the Court, are now being explored more fully. The use, impact and validity of standardized testing in all areas has been raised to a matter of national concern. Already, several states have enacted legislation affecting changes in the reporting requirements associated with several standardized tests.

Perhaps of greater significance have been attempts by several law schools to concretize affirmative admissions policies in response to *Bakke* in ways designed to insulate these programs from legal and political attack. The *Law School Admission Study*, prepared by Susan Brown and Edward Marenco of the Mexican-American Legal Defense and Education Fund (MALDEF), analyzes a variety of workable admissions models which are structured to achieve this purpose. The recent adoption of an affirmative action accreditation standard (Standard 212) by the American Bar Association pursuant to a recommendation of the ABA Section on Legal Education and Admission to the Bar can be viewed as a further extension of the "shield" concept as it applies to voluntary affirmative action efforts.

An additional and important element which appeared woven in the fabric of *Bakke* was the need for an alternate measure of the performance potential of disadvantaged applicants to law schools which, itself, could be supported through actual performance-related data. Of course, this alternate evaluation of performance would be used to moderate the over-reliance on LSAT and UGPA data alone. From the foregoing analysis of the performance data gathered on CLEO Fellows, it appears that the CLEO experience, when used on conjunction with quantifiable variables, may well be the most solidly-based evaluation measure available.

The success of CLEO Fellows in law school and on the bar examination cannot be divorced entirely from a comparison of similarly-credentialed, non-CLEO students. While little comparative data similar in scope and kind is available, all reasonable conclusions lead to substantially improved performance by CLEO-trained students.

A restatement of the statistics of achievement by Program Fellows would be superfluous; however, suffice it to say that by any measure they are impressive. When one takes into consideration the national scope of the data and the magnitude of the sample involved, it becomes increasingly difficult to attribute this performance to isolated variables having little common impact on the entire class.

Because CLEO also enjoys unique institutional sponsorships and federal support, the program may well represent one of the most acceptable policy responses to the dilemma posed by *Bakke*; already several law schools have endorsed CLEO participation as a positive consideration in the admission process.

In the final analysis, the performance of CLEO Fellows speaks for itself.

NOTES

1. 438 U.S. 265 (1978).

2. 347 U.S. 483 (1954).

3. *Bakke, supra* note 1, at 338.

4. W. Wilson, *The Declining Significance of Race* (1978).

   Clark and Gershman, "The Black Plight: Race or Class?", *The New York Times Magazine* (October 5, 1980); Williams, "Racial Reasoning in Unfree Markets — Preference, Prejudice, and Difference", *Regulation* (March/April 1979).

5. The 1970 Census of the Population established the total Black population at 22,539,362 or 11% of the total population; Spanish surnamed Americans were figured at 9,294,509 or 4.5% of the total. United States Department of Commerce, 1979 Census of Population (1972). Although improved, significant underrepresentation of various minority groups is still reflected in the enrollment figures for various disciplines: Law, See ABA Section of Legal Education and Admissions to the Bar, *A Review of Legal Education in the United States — Fall, 1979* (1980) [hereinafter cited as *Legal Education*]; Medicine, See AAMC, Minority Student Opportunities in the United States Medical Schools 1980-81 (1980); AAMC, *Medical School Admission Requirements 1980-81* (30th ed. 1979); Engineering, See Smith, "Minorities in Engineering: A Five Year Progress Report," *Engineering Educ.* (Nov. 1977); Business, See American Assembly of Collegiate Schools of Business, *Enrollment Trends Survey with Minority Data* (1979).

6. *Id.*

7. *Legal Education, supra* note 6, at 60-61; *Minority Student Opportunities in United States Medical Schools, supra* note 6, at 254-58; *Medical School Admission Requirements 1980-81, supra* note 6, at 24, 54; "Minorities in Engineering," *supra* note 6, at 1-3; *Enrollment Trends Survey with Minority Data, supra* note 6 at 1, 13, 26.

8. *Legal Education, supra* note 6, at 63.

9. *Hearing on H.R. 13172 before the Subcommittee of the Committee on Appropriations, United States Senate*, 94th Cong., 2nd Sess. 465 (1976) (statement of Richard G. Huber on behalf of the Council on Legal Education Opportunity) [hereinafter cited as *1976 Hearings*].

10. *Legal Education, supra* note 6, at 60-64.

11. 416 U.S. 312 (1974).

12. See *Legal Education, supra* note 6, at 60-64:

13. *Id.*

14. See *Legal Education, supra* note 6, at 60-64.

15. *Bakke, supra* note 1; *DeFunis, supra* note 11; *Flanagan v. President of Georgetown College*, 417 F. Supp. 377 (D.D.C. 1976); *DeRonde v. Regents of the*

Univ. of Cal., S.F. 24145 (Feb. 11, 1981); *Alevy v. Downstate Medical Center*, 384 N.Y.S. 2d (1976). The ABA reviewed a resolution addressing the issue of "reverse discrimination" designed to eliminate race as a factor in the admission process. The resolution was referred to the Section of Legal Education and Admissions to the Bar by the general assembly and the House of Delegates at the 1976 annual meeting and read as follows:

> Whereas, minority admissions programs have been experimented with by some law schools, and
>
> Whereas, applicants with high academic qualifications now claim that they are being excluded by reason of such experimentation, and
>
> Whereas, the Association's Standards for the Approval of Law Schools specificially require that:
>
> > the law schools shall maintain equality of opportunity in
> > legal education without discrimination or segregation on
> > the ground of race, color, religion, national origin, or
> > sex.
>
> Be It Resolved, that the Section of Legal Education and Admissions to the Bar is requested to investigate this matter and report its findings and recommendations to the House of Delegates at the 1977 annual meeting.

16. See *Legal Education, supra* note 6.

17. *Legal Education, supra* note 6, at 5-53. (Please note no approval dates appeared for the following, recently approved schools:)

    University of Bridgeport (1979)
    Northern Illinois University (1978)
    Campbell University (1979)

18. See: Franklin R. Evans, *Applications and Admissions to ABA-Accredited Law Schools: An Analysis of National Data for the Class Entering in the Fall of 1976* (May 1977) [hereinafter cited as *1976 Law School Admission Research Report*]. Summarizing various data tables, the Report observes that:

> a) women and men score about equally on LSAT, b) women tend to present higher undergraduate grades than men, and c) women are offered admission at a slightly higher rate than men.
>
> The last observation, that women are more often offered admission is probably a function of their superior undergraduate records. The acceptance rates. . .are higher for women at or above various LSAT score levels than for men. However, when the combination of UGPA and LSAT are considered, the acceptance rates for men and women are equal. Thus, the data indicates that men and women with similar LSAT and UGPA data are being equally treated in the law school admissions process. The equality of the sexes in terms of LSAT scores has been demonstrated elsewhere (Cowell and Swineford, 1972). Also, the observation that women present undergraduate records that are on the average substantially higher than men is not surprising, since this phenomenon has been observed in a number of contexts. (See, for example, Baird, 1969) at 26-27.

19. *Bakke, supra* note 1, at 320.

20. *Equality and Preferential Treatment* (M. Cohen, T. Nagel and T. Scanlon, eds. 1977) at 65; Caress, *The Myth of Reverse Discrimination: Declining Minority Enrollment in New York City's Medical Schools* (1977) at 6, 8.

21. The Council on Legal Education Opportunity was established in 1967 to enlarge the ranks of lawyers coming from minority groups or low-income backgrounds; the responsibility was assumed jointly by the American Bar Association (ABA), the Association of American Law Schools (AALS), the National Bar Association (NBA), and the Law School Admission Council (LSAC). See *Minutes of December 5, 1967 Conference at OEO on Legal Education for Disadvantaged Groups.*

22. *CLEO Participant Data Report* (1979), *infra*, at Table

23. CLEO filed an *amicus* brief in the *Bakke* litigation setting forth the academic achievements as well as preliminary bar performance of CLEO Fellows, the vast majority of whom were admitted under special admission programs notwithstanding significantly lower LSAT scores than those attained by regular admittees. See Brief for Petitioners. The Court failed to address the implications raised by the data.

24. *Minutes of December 5, 1967 Conference, supra* note 20; See *Minutes of October 22, 1972 CLEO Council Meeting* at which La Raza National Lawyers Association's application for participation on the Council as a constituent organization was accepted unanimously.

25. *All About CLEO* brochure (1980-81 ed.) at 2-8.

26. *Sweatt v. Painter*, 339 U.S. 629 (1950); See Washington, "History and the Role of Black Law Schools," 18 How. L.J. 385 (1974). The underrepresentation of minority group lawyers and law students was well accepted in 1968, but it took the 1970 census to graphically portray the scarcity of minority lawyers. In 1970, it was estimated that total bar membership reached 272,401 lawyers of which 3,685 were Black or members of Spanish-speaking ethnic groups. United States Department of Commerce, 1970 Census of Population (1972); 1967 Proceedings of the Association of American Law Schools, *Report of the Advisory Committee for Minority Groups Study* 1, (1967); see also *1976 Law School Admission Research, supra* note 18, at 7.

27. *1976 Law School Admission Research, supra* note 18, at 1-8.

28. *All About CLEO* brochure, *supra* note 24, see *CLEO Reports* (1968-1979).

29. *Higher Education Act of 1965, as amended,* 20 USC. Sec. 1134 (1980).

30. CLEO, *DeFunis v. Odegaard and the University of Washington: The University Admissions Case*, (A. Ginger ed. 1974).

31. CLEO, *Allan Bakke v. Regents of the University of California* (A. Slocum ed. 1978).

32. "Advancing Legal Education — The First Decade of CLEO, 1968-1978: A Symposium to Commemorate the Tenth Anniversary of the Council on Legal Education Opportunity," 22 How. L.J. (1979).

33. *1976 Hearings, supra* note 9, at 471.

34. *Id.*, at 467.

35. *All About CLEO* brochure, *supra* note 24, at 3; See *Detailed Comparison of the*

1980 CLEO Regional Summer Institute Participants (December 1980) at Table VIII; *1979-80 Program Recruitment and Admissions* (May 1980) at Table VIII.

36. *Id.*

37. Memorandum to Law School Deans and Other Interested Persons from Wade J. Henderson, Executive Director, *Sponsorship of CLEO Regional Summer Institutes in the Summer, 1981* (Septemer 30, 1980) at 6; *CLEO Reports* (1968-1979).

38. Each year, the CLEO National Office compiles relevant statistical data on the Program's participants. The available data is then synthesized by CLEO's Admissions Analyst and the cumulative data is provided in the "CLEO Participant Data Report."

39. Memorandum from Franklin R. Evans, *LSAT Score Distribution*, (December 5, 1980). This figure constitutes the mean LSAT score for the October 1980 LSAT administration. The mean score for previous 1980 administrations is as follows: February 1980-520.0; April 1980-514.2; and June 1980-552.9.

40. See, *Parrish v. Board of Comm'rs of the Alabama State Bar*, 533 F 2d 942 (5th Cir. 1976) (summary judgment reversed and remanded to permit plaintiffs to complete discovery); *Murry v. The Supreme Court, State of Arizona*, No. 72-2101 (9th Cir., Aug., 1973) (dismissal of claim that bar exam was racially discriminatory); *Petit v. Gingerich*, No. 72-964-B (D. Md., Feb. 22, 1977) (defendant's motion for summary judgment granted); *Woodward v. Virginia Board of Bar Examiners*, No. 75-0437-R (D. Va., Sept. 9, 1976) (summary judgment indicating that Title VII of the Civil Rights Act of 1964 does not apply to the Virginia bar examination system); *Pacheco v. Pringle*, No. C-5219 (D. Colo., May 20, 1976) (action challenging constitutionality of bar examination system dismissed with prejudice); *Lewis v. Hartsock*, No. 73-16 (S.D. Ohio, Mar. 9, 1976) (summary judgment granted defendants) *appeal docketed*, No. 76-1884 (6th Cir. July 2, 1976); *Carlock v. EEOC*, No. 74-365 (D. Ariz., Sept. 30, 1974 (motion for declaratory judgment that EEOC has no jurisdiction dismissed without prejudice); *Metropolitan Comm. for the Investigation of the D.C. Bar v. Committee on Admissions*, No. 74-177 (D.D.C., Jan. 30, 1974) (dismissed without prejudice); *North Carolina Ass'n of Black Lawyers v. Board of Law Examiners*, No. 4488-1973 (D.N.C., filed Nov. 1, 1973); In *re Illinois Bar Examination*, No. 1-576 (Ill. Sup. Ct., Mar. 21, 1975) (denial of petition requesting court to appoint a commission to develop bar exam which does not have disproportionate racial effect).

41. Truly comparative bar performance data which would permit a direct analysis between CLEO and non-CLEO graduates has been difficult to obtain. First, the state Boards of Bar Examiners do not maintain data on bar performance by race. Secondly, the CLEO data extends over several classes and through several years presenting only a limited basis for direct comparison with national figures from year to year. However, were one to analyze national bar data between 1971 and 1976 as a total pool, a national passing rate of 74% would be derived.

    The 74% figure compares favorably to the CLEO bar passage rate of 73.9%. Like the CLEO data, the national figure includes those candidates who are repeaters in the total figures analyzed:

ADMISSION TO BAR BY EXAMINATIONS: 1970-1976

Year	Total Taking	Total Passing	% Passing	Total Passing ABA Approved Law Schools	Total Passing by Law Office Study	Unaccredited Schools
1971	27,904	20,004	72%	15,767	5	367
1972	32,916	24,447	74%	17,736	9	136
1973	39,508	29,903	76%	24,722	7	642
1974	43,798	33,358	76%	27,329	4	882
1975	46,414	34,144	74%	27,289	13	1,482
1976	49,099	34,951	70%	27,232	19	1,514
Totals	239,639	176,807	74%	140,075	57	5,023

National Conference of Bar Examiners (1972-1977). The material presented above is compiled from volumes 41-96, Nos. 5-6 at the following pages:

Vol. 41, at 126-29
Vol. 42, at 126-29
Vol. 43, at 110-13
Vol. 44, at 114-17
Vol. 45, at 94-97
Vol. 46, at 155-55

STATEMENT OF DR. HARLEY H. HINRICHS, PRESIDENT, HOWARD'S OWN WAR AGAINST RACIAL DISCRIMINATION

Senator WEICKER. Our next witness is Dr. Harley Hinrichs, president of HOWARD's Own War Against Racial Discrimination.

Dr. HINRICHS. I should, first of all, say, Senator, that I am also president of the International Policy Institute, which is a nonpartisan educational institute which has produced more than 300 seminars at embassies over the last 10 years and covered by C-Span. It was founded as an official part of the Bicentennial.

I am speaking today for H*O*W*A*R*D*, which is an association of current and previous Howard University faculty—I should say I have taught at Howard for 7 years—students and staff, dedicated to improving education at Howard and opposing racism and corruption of the current Howard University administration.

I may add, we were very pleased with your comments about Howard in an attempt to improve the management of Howard University.

Many of us marched with Dr. Martin Luther King, Jr. and have fought in the civil rights movement for decades. For us it is tragic that Howard University, which should be a bastion for civil rights, is instead a backwater of racism in America.

In the past 3 years Howard University has had to pay $980,000 in judgments entered against it in cases brought by faculty members and other employees, plus another $250,000 in out-of-court settlements. Successful complaints have included allegations of breach of contract and discrimination against whites, Africans, women and men, which covers just about everybody.

As documented in my previous testimony, which I hope will be added to this, because it is a much larger piece of paper which said "Why Howard Can't Read, Why Racism Leads to Incompetence" and "Why Howard Still Can't Read."

Such racism and sexism and anti-Semitism leads to incompetence; in some departments the failure rate among graduate students is 90 percent.

These policies and implementations are some random accident but the implicit strategy of the social black brotherhood that has systematic biases against a rather large list of those outside the brotherhood. Women, faculty, staff, and students are exploited in many ways, Jews and, interestingly enough, not only whites but blacks from Africa and the Caribbean.

Paradoxically, even the African Studies Program was threatened to be closed down because they were having too many Africans and no domestic blacks within the social brotherhood.

Howard University has even gone into court claiming a legal defense for its discrimination on the grounds that black colleges are justified in discriminating against whites. Some of Howard University's brotherhood outside make the same argument.

This is rather appropriate testimony since today is District of Columbia primary day.

I was appalled to hear the Rev. Jesse Jackson in a conversation with me at the Democratic National Committee's Strategy Council at the Washington Hilton last spring argue that it was "morally justified for blacks to discriminate against whites as long as whites discriminate against blacks." For a Christian minister to argue that two wrongs make a right is shocking in the least.

Even the dean of liberal arts told me, upon being confronted with the fact that the odds were 10 million to 1 that the economics faculty would have no tenured professors of European ancestry, he argued that: "Everyone is racist: the President, the Congress. Why should Howard be any different? Why shouldn't Howard discriminate?"

In short, what can be done?

HOWARD, which is in the spirit of MASH, H*O*W*A*R*D*, calls upon the Congress to investigate the policies and administration of Howard University, such as Congress did in the GAO study of the Howard Inn, which lost $4.5 million in 2 years, obviously a prototype for hotel management, which is what they were doing.

H*O*W*A*R*D* calls upon the Congress to require that the salaries and benefits of the Howard University President James Cheek and his six vice presidents, averaging way over $100,000 per year, be reduced by 25 percent per year until the $1,230,000 paid out in lawsuits and settlements is reimbursed to the American taxpayer. Those responsible should pay the bill. This would be a dramatic way to improve such policies and administration in the future.

If you have time, you might take a look at the earlier paper which outlined it more specifically.

PREPARED STATEMENT

Senator Weicker. We will definitely go ahead and take a look at all your testimony in its entirety. I am not prepared to comment on some of the allegations made here.

I will say that I have indicated a deep concern with the academic excellence of Howard, both its undergraduate and its graduate endeavors. This is something the committee is taking a careful look at.

The matter of the inn, I don't know if it has been announced publicly—I am not going to announce it here—but I think it will be resolved satisfactorily. That is only one problem in a much larger group of problems.

Thank you very much for your testimony.

[The statement follows:]

Statements of Dr. Harley H. Hinrichs

SUMMARY: "WHY HOWARD (STILL) CAN'T READ: HOW RACISM PRODUCES INCOMPETENCE"

1. Howard University's racist policies and administration have resulted in a tragic waste in both the academic lives and futures of its students and in taxpayers' dollars: $145 million---about three-quarters of the university budget.

2. In the past three years Howard University has had to pay $980,000 in judgments entered against it in cases brought by faculty members and other employees---plus another $250,000 in out-of-court settlements. Successful complaints have included allegations of breach of contract and discrimination against whites, Africans, women and men.

3. In some departments the failure rate among graduate students exceeds 90 per cent.

4. H*O*W*A*R*D* calls upon the Congress to investigate the policies and administration of Howard University(such as the GAO study of the Howard Inn which lost $4.5 million in two years).

5. H*O*W*A*R*D* calls upon the Congress to require that the salaries(and benefits) of the Howard University President James Cheek and his six vice presidents(together averaging substantially over $100,000 per year) be reduced by 25 per cent per year until the $1,230,000 paid out in law suits and settlements is reimbursed to the American taxpayer. Those responsible should pay the bill. This would be a dramatic way to improve such policies and administration in the future.

I am speaking for H*O*W*A*R*D*---an association of current and previous Howard University faculty, students and staff dedicated to improving education at Howard by exposing and opposing the racism and corruption of the current Howard University administration.

Many of us marched with Dr. Martin Luther King Jr. and have fought in the Civil Rights Movement for decades. For us it is tragic that Howard University---which should be a bastion for Civil Rights---is instead a backwater of racism in America.

In the past three years Howard University has had to pay $980,000 in judgments entered against it in cases brought by faculty members and other employees---plus another $250,000 in out-of-court settlements. Successful complaints have included allegations of breach of contract and discrimination against whites, Africans, Women and men.

As documented in my testimony("Why Howard Can't Read) before this subcommittee(May 6, 1982), such racism(and sexism and antisemitism and ethnocentrism) leads to incompetence: in some departments the failure rate among graduate students is 90 per cent.

And these policies and implementations are not some random accidents but the implicit strategy of the "social black brotherhood" at Howard that has systematic biases against a rather large list of those outside the brotherhood: women(faculty, staff and students are exploited in many ways), Jews, and interestingly enough, not only whites but blacks from Africa and the Caribbean(paradoxically, even the African Studies Program was threatened).

Howard University has even gone into court claiming a legal defense for its discrimination on the grounds that black colleges are justified in discriminating against whites. Some of Howard University's "brotherhood" outside make the same argument. I was appalled to hear the Rev. Jesse Jackson(in a conversation with me at the Democratic National Committee's Strategy Council at the Washington Hilton last spring) argue that it was "morally justified for blacks to discriminate against whites as long as whites discriminate against blacks." (For a Christian minister to argue that "two wrongs make a right" is shocking in the least.)

Even the Dean of Liberal Arts told me (upon being confronted with the fact that the odds were 10 million to one that the Economics faculty would have no tenured professors of European ancestry) that: "Everyone is racist: the President, the Congress.. Why should Howard be any different? Why shouldn't Howard discriminate?"

What can be done?

H*O*W*A*R*D* calls upon the Congress to investigate the policies and administration of Howard University---such as Congress did in the GAO study of the Howard Inn which lost $4.5 million in two years.

H*O*W*A*R*D* calls upon the Congress to require that the salaries(and benefits) of the Howard University President James Cheek and his six vice presidents(averaging way over $100,000 per year) be reduced by 25 per cent per year until the $1,230,000 paid out in law suits and settlements is reimbursed to the American taxpayer. Those responsible should pay the bill. This would be a dramatic way to improve such policies and administration in the future.

ORGANIZATION: INTERNATIONAL POLICY INSTITUTE*

SUMMARY: "WHY HOWARD CAN'T READ:
HOW RACISM PRODUCES INCOMPETENCE."

1. Howard's admissions, hiring and racist policies have resulted in incompetence. In some departments 90% of of the graduate students fail their comprehensive exams.

2. This is a waste of both human lives and taxpayers' dollars---at the extraordinary rate of $15,000 per student ---and financing an unresponsive bureaucracy with seven officers averaging $100,000 per year in pay and benefits.

3. Congress has the opportunity and obligation to insist on the return of excellence to Howard. An incentive plan is recommended that would weed out incompetent professors and administrators in combination with a 10% budget cut to see this is done. The net result will be both an improvement in the quality of education and a saving of $14.5 million in taxpayer money.

Having worked for and having been inspired by the dedication to human rights of your chairman, Senator Hatfield**.and having worked for and been inspired by the dedication to reducing waste in federal expenditures of your ranking minority member, Senator Proxmire*** I feel morally bound to report to you on the state of education at Howard University.

The purpose of this testimony is both to improve the quality of education at Howard and to reduce the current waste in federal expenditures---nearly $15,000 per student. The purpose is also to fulfill an obligation to my students at Howard who are being systematically deprived of excellence in education. Finally, as a civil rights worker for many years and a fellow-marcher with Dr. Martin Luther King, Jr., I am morally compelled to fight racism whereever it appears.

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*The views expressed herein are those of the individual witness and do not necessarily reflect those of any other officers or members of the International Policy Institute.

**See my testimony, "Hatfield's Simpliform Tax Reform," House Ways and Means Committee, 1972.

***As editor of the JEC's Revenue Sharing compendium, 1967

The Problem: Evidence of Incompetence

For the extraordinary cost of about $15,000 of taxpayer sudsidies* plus another $5,000 per student of other funds, the results resemble that of an "educational C-5A:"**

---normally half of the Howard Law School graduates fail to pass the D.C. bar examinations.

---more than 90% of the economics graduate students fail to pass their comprehensive examinations the first time around.

---for more specific direct evidence: when teaching the "History of Economic Thought" course at Howard, I discovered that the library did not have(or on order!) the following books: Adam Smith, Wealth of Nations, Karl Marx, Das Kapital and John Maynard Keynes, General Theory..."

---as a member of the Executive Committee of the Faculty of Economics, I did a study of the other professors' Course Outlines(Syllabi): over half the outlines did not contain a book or journal article reference more recent than three years ago(in economics, as we all know, the rate of idea-technological obsolescence is particularly rapid given the recent demise of the Phillips Curve, Okun's Law and the Laffer Curve).

The Problem: Evidence of Racism

Instead of being a bastion of civil rights, much of Howard University is a backwater of racism. This means that if Howard systematically excludes the 85% of the American population that happens to be of European ancestry, it unnecessarily deprives its students of a full education---both from fellow students and faculty. Dr. Martin Luther King said "black and white together;" he did not say that Howard University had a right to be segregated and to discriminate against non-blacks.

---The Faculty of Economics has seven tenured professors; none of whom happen to be of European ancestry. The odds of this being a random accident are 10 million to one.

---Four previous Economics Faculty members of European ancestry (with doctorates from Harvard, Chicago, and other signs of competence) were denied tenure and summarily dismissed after as many as seven years of continuous service(quite in violation of the American Association of University Professors guidelines).

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*The federal share of the Howard budget is estimated between 60%-80% depending on allocations for direct and indirect subsidies (student loans, tax exemptions, etc.).

**This evidence is based on direct, personal observation during seven full-time years as a faculty member during 1974-81.

---Upon confronting the Dean of Liberal Arts with this record of "statistical racism," I received a reply forever etched in my memory: "Why should Howard be different from anyone else? Everyone is racist: the President, the Congress...Why shouldn't Howard discriminate? As long as the University of Maryland doesn't hire black professors, why should we hire white ones!" (So much for idealism...and hypocrisy at Howard University. The Dean's statement is especially tragic because he is probably one of the brightest and best at Howard.

---Racism at Howard(at least in this case study of the Department of Economics---although evidence exists elsewhere) may be expanded to other related categories:

---discrimination against women: no tenured women faculty---although, to his credit, this same Dean of Liberal Arts made a plea to the Economics faculty to hire some women on a tenure track.

---discrimination against Hispanics and even against black foreign students and faculty: in fact the most prevalent discrimination at Howard is not black against white(of which there are so few they can be regarded as albino curiosities) but American black against overseas blacks, principally Caribbean(the previous Caribbean chairman was summarily dismissed by the Dean despite the faculty's support for the chairman) and African---an ultimate xenophobic paradox. Although there can be legitimate Congressional and Howard University concerns as to how many foreign students(many from oil rich OPEC countries) are admitted to receive the "Congressional $15,000 scholarship," it is imperative in a university community that each student, once admitted, should be treated without discrimination.

---Hiring, promotion and tenure dicisions are often based on a "racist social club" criteria resulting in a self-perpetuation of incompetence---rather than in a true search for excellence. In my professional judgment three of the seven tenured Economics faculty members are professionally incompetent---and probably could not even pass a current comprehensive examination.* Obviously, if the faculty(or say one-third of it) is incompetent, then students can hardly be totally responsible for their current 90% failure rate on the comprehensive examination.

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*This professional judgment is made on the basis of seven years' association with these faculty members; and on the basis of my summa cum laude degrees from Wisconsin, Purdue, Melbourne(Fulbright Scholar), and Harvard(Ph.D., straight A's in economics).

(I know that the students are capable of doing better in economics than the 90% failure record. When I taught both the economic development theory and policy courses,the failure rate was less than 10%.) Many students know and complain about the failure of the Howard faculty---but their voices are rarely heard. Even Dr. Cheek, the president of Howard University, could not spare 7 minutes to hear my evaluation of education at Howard based on my 7 yea~~a~~rs on the faculty. (He said he "didn't want to interfere with the academic program.")

---Finally, the two most recent "reverse-discrimination" suits that Howard has "lost"(settled on the court house steps after forcing professors to spend much time and money to secure even partial justice) bear testimony to racism at Howard: the Reuben case(in this same College of Liberal Arts) resulted in the termination of a civil rights liberal whose apparent handicap in the eyes of the Howard power structure was that he had been born in South Africa and was Jewish; and the Sidwell case where an English professor of some twelve years employment(in the same faculty of Liberal Arts) was discharged although normally five years is regarded in the academic world as de facto tenure. (Howard says it does not abide by the rules of the AAUP.)

A Solution: An Incentive Plan to Improve Education by Cutting Funds

A unique opportunity presents itself to the Congress to both improve education at Howard and at the same time save taxpayers' dollars.

If any other federally-funded project had such a dismal record of accomplishment as Howard(for example, as our case study of the Department of Economics has shown, 13 out of 15 graduate students taking the comprehensive examinations a year ago failed, and 13 out of 14 failed last fall), surely the Congress would act. If 13 out of 14 air force planes crashed on take-off, surely the Congress would re-examine the competence of the instructors and the safety of the aircraft; even if the football team lost 13 of 14 games, the coach's tenure would be in question.

Here is what can be done by the Congress in a recommendation to the Howard Board of Trustees(who will receive a copy of this testimony---as well as Messrs. Marriott and Albritton who are co-chairing a Howard fund-raising drive):

1. Any department ~~whose~~ where a majority of its undergraduate and/or graduate students fail their comprehensive examinations(insuring the exams are graded at least in part by outside readers) shall require its department faculty to take an equivalent comprehensive examination(also graded by outside readers). Any faculty member who fails(tenured or not) will be discharged(although pension benefits will not be affected). With this "performance budgeting" output measure and incentive* we can all predict a dramatic improvement in the effort and results of the educational process. By weeding out the incompetent professors at Howard(whose marginal product may be negative or at best zero) the Howard budget might save $20 million(adjusted for some replacement of $40,000 a year incompetents(pay and benefits) by fresh, brighter, more competent junior professors(averaging $20,000); this assumes that only 20% would be proven incompetent---compared to more than 40% found incompetent in our sample case of the Department of Economics. These are conservative estimates. Part of the savings can be plowed back into student aid, scholarships for the truly gifted, and especially job placement programs for the successful graduates.

2. Until this incentive program is implemented, the salaries of the president and six vice-presidents at Howard---averaging in pay and benefits in excess of $100,000 per year---can be reduced to the highest level of federal civil servants ($60,000). This will at least get their attention and provide incentives to carry out the plan. If any of the officers at Howard believes his "market value"---with this record of performance---is worth $100,000, he/she can be free to go elsewhere. I'm sure with his/her job opening made available there will be hundreds of applicants sending in resumes within days to fill the spot---even at $60,000.

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*For other output measures in education see my texts, Program Budgeting and Benefit-Cost Analysis and Systematic Analysis.

3. To put teeth into recommendations #1 and #2 the Congress can freeeze 10% of the Howard Appropriation($145.2 million) until the Board of Trustees and/or officers choose to act.

Howard has known excellence in the past---and can achieve excellence again in the future. It is up to the Congress to see that not only money but also incentives are given to Howard to achieve that excellence.

STATEMENT OF SATORU IZUTSU, ASSISTANT TO THE PRESIDENT, UNIVERSITY OF HAWAII, PROFESSOR OF PUBLIC HEALTH

Senator WEICKER. The next witness is Satoru Izutsu, assistant to the president of the University of Hawaii, and he is professor of public health.

Welcome.

Mr. IZUTSU. Thank you. Senator Weicker and members of the appropriations subcommittee, thank you for permitting me to testify on behalf of the University of Hawaii's Board of Regents, faculty and students.

My name is Satoru Izutsu, professor of public health and assistant to the president of the University of Hawaii.

Hawaii is a small State with limited resources. Yet our commitment to a fraternal leadership role in the Pacific is uncompromising. We believe that the University of Hawaii can become even more instrumental in furthering Federal policies affecting Pacific island territories whose political status is fast changing.

The university is a complex system of educational institutions involved in teaching, research, and service programs. The university is composed of nine campuses and dozens of research programs and extension stations which serve 47,000 students from throughout the Pacific and Asia. This has been made possible through the efforts and interest of public officials like you who believe in the benefits of public higher education.

Our long-range goal is to further establish and expand the University of Hawaii as the leading institution of higher learning in the Pacific Basin by providing education and training for those persons who go on to assume positions of responsibility and leadership throughout the region, and the university does this by nourishing a faculty with extensive expertise throughout the region.

Also, the institution capitalizes on its mid-Pacific location to cultivate close contacts throughout Asia and the Pacific.

The major concern to the University of Hawaii is the U.S. presence in the Western Pacific, primarily Micronesia, which covers over 3 million square miles. The U.S. involvement has been in pursuit of strategic national interests which have been military and not economic.

We have accumulated obligations and responsibilities in the process of acquiring military advantages. These islands were shattered in every conceivable way by the fierce battles of World War II and its aftermath.

Traditional cultures have been disrupted by the onslaught of American material values. It is not sadly evident that all of Micronesia is economically dependent upon the United States.

Appalling health problems have been one of the many consequences. The population is afflicted with a gamut of diseases which are traceable to improper diet, poor sanitation, and the crowded living conditions caused by the migration of the rural population into the capitals.

These diseases include tuberculosis, leprosy, cholera, parasitism, sexually transmitted diseases, and the mental and emotional disorders.

From the extensive experience of our faculty, it has been ascertained that the problems of implementing viable assistance programs may be partially due to cultural conflicts, but the greatest obstacle is the general level of education, which does not permit the development of a viable infrastructure for health services communication.

In answer to the above concerns, and of particular interest to you, may be those programs in which you have expressed interest and support. One is the Health Careers for Pacific Islanders Program for those interested in nursing and public health designed for natives of American Samoa, Guam, and Micronesia.

This program is administered by a special staff and offers participants financial support, tutoring, and counseling. In addition, the medical school offers the Imi Ho'ola and the Kulia programs for prospective medical students which provide remedial and catchup time for Pacific islanders who are educationally and economically disadvantaged.

These programs are examples of what can be done if we are to accept fully the leadership responsibilities of guiding the Pacific Basin.

I would also like to address the Supplemental Appropriations Act of 1982—institutional aid programs authorized by title III of the Higher Education Act of 1965, as amended, which is of immeasurable benefit to the university in serving the Pacific islands, primarily through its community colleges.

Special set-aside funds have made it possible for the institutions to address the unique educational needs of native American Pacific islanders, including Native Hawaiians, American Samoans, and Micronesians.

It is respectfully requested that there again be a $5 million set-aside under the title III Developing Institutions Program so that the pressing educational needs of the Pacific Basin region can continue to be met.

In addition, we recommend that the Secretary of Education have more flexibility in waiving the criteria for designating eligible institutions under the special needs program. For example, the 4-year campuses in Hawaii are not eligible because of the number and amount of Pell grants given to students; yet we have 61 percent of the students who are designated under the grant.

In summary, the University of Hawaii is proud of its heritage, history, and outstanding programs which give prominence to our academic reputation, provide expertise for local and national decisionmakers, and serve the State as well as our Pacific and Asian neighbors. The university is grateful for the Federal support which makes these activities possible.

On behalf of the scientists, scholars, and researchers who work to improve these programs and to earn continuing Federal support, thank you for your sustained interest in and strong encouragement of our efforts.

We stand ready to contribute our strengths in the efforts to meet our country's obligations in the Pacific. We are hopeful that your interest and encouragement will continue.

Thank you.

[The statement follows:]

STATEMENT OF SATORU IZUTSU

Senator Weicker and members of the Appropriations Subcommittee, thank you for permitting me to testify on behalf of the University of Hawaii, its Board of Regents, faculty and students.

Hawaii is a small State with limited resources. Yet, our commitment to a fraternal leadership role in the Pacific is uncompromising. We believe that the University of Hawaii, can become even more instrumental in furthering federal policies affecting Pacific Island territories whose political status is fast changing.

I would like to (1) acquaint you with the University of Hawaii, (2) describe the University's current involvement in the Pacific Basin and Asia, and (3) relate the importance of a special consideration related to a "set aside" for Hispanics and Native American students under the Title III Developing Institutions Programs.

The University is a complex system of educational institutions involved in teaching, research, and service programs. The University is composed of nine campuses and dozens of research programs and extension stations which serve 47,000 students from throughout the Pacific and Asia. This impressive progress has been made possible through the efforts and interest of public officials like you who believe in the benefits of public higher education.

A long-range goal is to further establish and expand the University of Hawaii as the leading institution of higher learning in the Pacific Basin. For many years, the University of Hawaii has regarded itself as having a special mission to serve the Pacific Basin. It does this by providing education and training for those persons who go on to assume positions of responsibility and leadership throughout the region, and it does this also by nourishing a faculty with extensive expertise throughout the region. Also, the institution capitalizes on its mid-Pacific location to cultivate close contacts throughout East Asia and the Pacific.

In the process, the University has become a national asset. Some of the activities pursued by U.H. scientists, scholars and researchers are as follows:

- the Department of Psychology is involved in a wide range of research such as those related to the study of the behavior of the humpback whales, cross-cultural factors on first episode psychotics, psycho-social problems of military personnel stationed in Hawaii, culturally relevant training for minority students in psychology and longitudinal studies of behavioral development in infants with metabolic disorders;
- the Institute of Astronomy has established world-class observatories on the summits of Haleakala and Mauna Kea;
- the Tropical Agriculture and Human Resources programs play a key role in providing expertise, training and extension programs in crop and animal production, pest control and soil management;
- the University's marine activities attract world-class researchers in studies related to the heat content and circulation of the tropical Pacific Ocean, studies of tsunamis, interpretation of the marine sediment record, geochemistry of sea water and the development of specialized instrumentation such as those used in mapping and characterizing the sea floor;
- the Hawaii Sea Grant College Program focuses on aquaculture research, design of fish aggregation devices, resource assessment of the Northwest Hawaiian Islands, and the Hawaii Research Laboratory which studies underwater existence;
- More than 500 University of Hawaii faculty have expertise in one or more countries of Asia and the Pacific, and the University offers 600 courses in Asian and Pacific subjects. The offerings include courses in 18 East Asian and Indo-Pacific languages, which gives the University of Hawaii the nation's largest enrollment in these languages. For example, 25 per cent of all students in American colleges learning Japanese do so at the University of Hawaii.

Of major concern to the University of Hawaii is the United States' presence in the Western Pacific, primarily Micronesia, which covers over 3 million square miles. The U.S. involvement has been in pursuit of strategic national interests which have been military and not economic. We have accumulated obligations and responsibilities in the process of acquiring military advantages. These islands were shattered in every conceivable way by the fierce battles of World War II and its aftermath. Traditional cultures have been disrupted by the onslaught of American material values. It is now sadly evident that all of Micronesia is economically dependent upon the U.S. Appalling health problems have been one of the many consequences.

The population is afflicted with a gamut of diseases which are traceable to improper diet, poor sanitation and the crowded living conditions caused by the migration of the rural population into the capitals. These diseases include tuberculosis, leprosy, cholera, parasitism, sexually transmitted diseases and mental-emotional disorders.

From the extensive experiences of our faculty, it has been ascertained that the problems of implementing viable assistance programs may be partially due to cultural conflicts. But the greatest obstacle is the general level of education which does not permit the development of a viable infrastructure for health services communication.

In answer to the above concerns and of particular interest to you may be those programs which you have expressed interest and support. One is the Health Careers for Pacific Islanders Program for those interested in nursing, and Public Health designed for natives of American Samoa, Guam and Micronesia. It is administered by a special staff and offers participants financial support, tutoring and counseling. In addition, the medical school offers the Imi Ho'ola and the Kulia Programs for prospective medical students which provide remedial and "catch-up" time for Pacific Islanders who are educationally and economically disadvantaged.

Additional efforts are: the training of Micronesian Medex, the coordination of National Health service corps activities in the Pacific; the medical residency program in Okinawa; research into tropical diseases afflicting inhabitants of the islands and the tropical and sub-tropical areas of Asia; investigation into the feasibility of training a new generation of medical officers for Micronesia, and the establishment of a Pacific Rehabilitation Training and Research Center. The latter activity has been the most recent with the involvement of all of the jurisdictions of Micronesia, Guam and American Samoa in identifying the needs of the physically handicapped with services which are culturally and technically appropriate. It indicated that the outcome will be positive and of great benefit to all of the disabled in the Pacific.

Also, the University has given priority to such other activities as the promotion of tourism by the School of Travel Industry Management to expand the Pacific Island economy; establishment of a Pacific International Center for High Technology Research; and, the involvement of the College of Education in the development of a Pacific Region Educational Laboratory.

These programs are examples of what can be done if we are to accept fully the leadership responsibilities of guiding the Pacific Basin.

In further addressing the moral responsibility of the United States, we are speaking of national policy affirmed in formal agreements. Specific reference is made to the United States' pledge to the United Nations to support the welfare and development of Micronesia in exchange for control of the islands immediately after World War II. That pledge is being renewed under the terms of the Compacts of Free Association negotiated between the U.S. and the separate island groups.

The faculties of the University of Hawaii represent a national asset in American dealings in the Pacific and Asia and are eager and qualified to participate in strengthening the causes of the United States.

The Supplemental Appropriations Act of 1982 -- Institutional Aid Programs authorized by Title III of the Higher Education Act of 1965, as amended is of immeasurable benefit to the University in serving the Pacific Islands, primarily through its Community Colleges. The special "set aside" funds have made it possible for the institutions to address the unique educational needs of native American Pacific Islanders, including native Hawaiians, American Samoans and Micronesians. The funds are being used in the development of needed instructional programs such as food services, horticulture, and Hawaiian studies; development of computer capabilities to benefit all aspects of the Community College such as the learning resource centers, student services and the offerings in computer science; and the development of teachers by bringing to isolated campuses, specialists to conduct seminars and workshops as well as sending faculty and staff to participate in learning opportunities in Honolulu and on the Mainland.

It is respectfully requested that there again be a $5 million "set aside" under the Title III Developing Institutions program so that the pressing educational needs of the Pacific Basin region can continue to be met. In addition, we recommend that the Secretary of Education have more flexibility in waiving the criteria for designating eligible institutions under the "special needs" program. For example, the four-year campuses in Hawaii are not eligible because of the number and amount of Pell Grants given to students; yet, we have 61 per cent of the students who are designated under the Grant.

SUMMARY

The University of Hawaii is proud of its heritage, history and outstanding programs which give prominence to our academic reputation, provide expertise for local and national decision-makers, and serve the State as well as our Pacific and Asian neighbors. The University is grateful for the federal support which makes these activities possible. On behalf of the scientists, scholars, and researchers who work to improve these programs and to earn continuing federal support,

thank you for your sustained interest in and strong encouragement of our efforts.

We stand ready to contribute our strengths in the efforts to meet our country's obligations in the Pacific. We are hopeful that your interest and encouragement will continue.

STATEMENT OF SENATOR DANIEL K. INOUYE

Due to various treaty obligations, the United States has a special responsibility to provide for the health care needs of the residents of the Pacific Basin. Unfortunately, the overall standards of health are dismally below those considered minimally acceptable in our nation. Serious chronic infectious diseases, such as tuberculosis and Hansen's Disease, are widespread, even among children. Yaws, filariasis and other tropical scourges are still prevalent and there are periodic outbreaks of cholera. The incidence of high blood pressure on Guam and the Northern Mariana Islands is about 35 percent of those over the age of 30. In the Marshall Islands, nearly half of those over 50 have diabetes. The incidence of childhood leukemia in Ponape and Kosrae is ten times that which should be expected. On some islands, nearly half of the entire population are reported to have middle-ear infections (otitis media), which, if left uncorrected, can lead to permanent deafness (the incidence is even higher than that reported for our American Indian population). Guam has the highest per capita incidence rate of Amyotrophic Lateral Sclerosis, as well as a particular type of Parkinson's Disease, which is not found anywhere else in the world (Parkinson's Dementia). The infant mortality in the Trust Territory is 30 infant deaths per 1,000, nearly twice that of the United States. Excessively high incidences of alcoholism, depression, and adolescent suicide also exist. Perhaps the most significant development, however, is the fact that there is an extreme shortage of health care professionals of all types and that all of the 36 Micronesian medical officers will soon be retiring and there are no replacements being trained at any educational institution to fill this vacuum.

Senator WEICKER. Thank you very much. You have a great advocate in Senator Inouye. It might be a small State, but you have got a lot of clout in the U.S. Senate.

First of all, do you mind if I keep this [indicating chart]?

Mr. IZUTSU. No.

Senator WEICKER. I would like very much to keep this.

Let me just pinpoint one question here. What specifically can be earmarked to further that role in an educational sense?

Just repeat that portion of your testimony which would be earmarked for utilization by the University of Hawaii.

Mr. IZUTSU. I think that one of the areas that we have been interested in is the total development of the Pacific Basin. In the area of health, I think that we have had a number of initiatives already, and we are still looking at more.

We have been there for years, and we have been helping in small ways, and I think that as the time goes by we need to look at it more in terms of the total percentage area and assisting in the developmental system.

Our thrust at the present time has been primarily health, education, and total area social welfare. But I think there is a whole area of travel, economic development that should be also.

Senator WEICKER. Are there specific funds, in the health area, that are set aside for activities conducted at the University of Hawaii that relate to the Pacific Basin?

Mr. IZUTSU. The school of medicine and the school of nursing.

Senator WEICKER. But nothing that is specific to the University of Hawaii, whatever the general programs might be, nationwide?

I think there is really a unique role for Hawaii to play and clearly one that relates to the various territories and dependencies, et cetera, and especially in the field of health.

Senator INOUYE. If I may, Mr. Chairman, I would like to submit for the record and make part of the testimony here statistics that would show the appalling nature of health conditions in that part of the world when one considers that before World War II the incidence of mental aberration, mental illness was almost nonexistent and today the incidence is much higher than the national average.

The incidence of leprosy is almost that of the Philippines. The incidence of hepatitis I think is one-third the population. It just goes on and on like this, and cholera, which is unknown in the United States, and here it is running rampant.

As the good professor has indicated, we do have obligations, either contractual or moral, because in our quest for military sites we have involved those people in a rather cruel way, and I think the rest of the world, especially the Pacific world, is watching to see how we carry out our obligations.

Senator WEICKER. When I appeared at the East-West Center hearings of Senator Inouye, Dr. Rogers emphasized the failure of the United States to take a leadership role in the health area in that Pacific Basin area.

This is something that we want to address in terms of the appropriations.

Mr. IZUTSU. I think, in addition to Senator Inouye's comment, the suicide rate; for example, in the Truk jurisdiction, is so high with teenage males——

Senator WEICKER. In Truk?

Mr. IZUTSU. In Truk, for example. And this is where the rural population—when we talk about rural population, all of it is rural—but when they come from the small islands in the Truk Lagoon to the capital and then not be able to cope, and with the decimation of the cultural values, moral, and material subsistence values, you know, the conflicts that arise is really devastating.

Senator WEICKER. I very much appreciate your testimony, and we will certainly try to act on it.

STATEMENT OF IRIS KINNARD, DIRECTOR OF CONNPEP UPWARD BOUND, UNIVERSITY OF CONNECTICUT

Senator WEICKER. The next witness is Iris Kinnard, director of CONNPEP Upward Bound, University of Connecticut.

Ms. KINNARD. Mr. Chairman, members of the subcommittee, my name is Iris Kinnard, and I am director of the CONNPEP Upward Bound Program at the University of Connecticut. I am testifying today on behalf of the National Council of Educational Opportunity Associations.

I very much appreciate the opportunity to come before you today to discuss the need for a $200 million appropriation for the special programs for students from disadvantaged backgrounds, the TRIO programs.

Federal support for higher education, both in student assistance and in other programs authorized under the Higher Education Act and related acts has been designed to accomplish a range of tasks, from promoting excellence in elementary and secondary education to assuring military preparedness, at least since the Second World War. However, promoting equal educational opportunity in our Nation's colleges and universities has been a central thrust of Federal involvement in higher education.

There has been—and I am sure there will continue to be—commitment to the goal of equal educational opportunity and to the TRIO programs from both sides of the aisle.

For a number of young people and adults, the only obstacles to college attendance are economic; these students simply cannot pay the entire cost of postsecondary attendance, particularly since it is going up so phenomenally. The student financial aid programs are designed to address this issue of relative economic disadvantage.

Many other students, however, face obstacles to college attendance and graduation in addition to lack of financial resources. These obstacles include lack of information about the postsecondary options which are available to them, both in terms of college choice and financial aid, lack of familial and peer support for college attendance, lack of academic preparation, and lack of confidence.

For many students, TRIO programs make the critical difference with respect to opportunity in this society, since they are the principal vehicle for addressing the nonfinancial barriers to equal opportunity at the college level.

TRIO includes five programs: Educational opportunity centers, special services for disadvantaged students, talent search, Upward Bound, and a training authority for special programs staffs.

Two of the TRIO programs—educational opportunity centers and talent search—provide short-term information and counseling services to both youth and adults.

In fiscal year 1984, it is estimated that the 167 talent search projects will serve 190,000 low income and first generation young people at an average cost of $93 per client. The 33 educational opportunity centers will provide similar services to 104,000 displaced workers, welfare recipients, and other disadvantaged adults at an average cost of $78 per client.

Upward Bound projects and special services projects, on the other hand, provide more sustained academic and counseling services. This year 421 Upward Bound projects are serving 33,000 disadvantaged high school students at an average cost of $2,175; approximately 660 special services projects are serving 150,000 low income, first generation, and physically handicapped students enrolled in colleges and universities at an average cost of $446.

In fiscal year 1980, the TRIO appropriation was $147.5 million, which provided sufficient funding to serve 528,000 students. In fiscal year 1984, the TRIO appropriation of $164.7 million will provide services for an estimated 478,000 students—a loss of 50,000 students.

It is estimated that to serve the students that we lost at current funding levels would take about $190 million. To serve at just current funding levels, it would take about $170 million.

We lose ground as we progress. The grants this year were some 3 to 6 percent increases, but we are going backward as the cost of——

Senator WEICKER. I am sure you are going back with the President's request, I can tell you that.

Ms. KINNARD. Yes, indeed, Senator; we know that very well.

This loss also is not only for TRIO students but parallels similar college attendance by all disadvantaged groups, as you know. The principal cause of this decline is the loss in real value of student assistance.

Since 1980, according to the college board, the value of student financial aid dropped by 21 percent. During the same period the value of the TRIO appropriation declined 28 percent.

Speaking specifically to Connecticut, CONNPEP, with generous support, is serving students in Hartford/New Haven. As you know, these are two of the poorest cities in the Nation, and our funding enables us to take about 40 new students a year, which is a small drop in the bucket, and you feel you are hardly making an impact. And yet, the success rates of the students that we have had in our program indicate that these programs are critical and essential for disadvantaged students.

There are two stories in here of the successes that CONNPEP has had, and there are many more of those. The figure we have of 50 percent of our students being graduated from college, or still being in college, indicates the kind of effect the programs have on students who otherwise would not have gone to college at all.

I would be happy to answer any questions you may have.

Senator WEICKER. Iris, thank you very much. I can assure you, although I don't know to what extent, the President's budget request will be altered considerably by this committee.

Ms. KINNARD. I don't have a map like the previous speaker, but the TRIO Program from New England would like to show you a T-shirt in support of these programs.

Senator WEICKER. Do you want me to wear that when I go down to the White House? [Laughter.]

Ms. KINNARD. I sure do. And here is a UCONN bag to go with it.

PREPARED STATEMENT

Senator WEICKER. Thank you very much.

[The statement follows:]

STATEMENT OF IRIS KINNARD

Mr. Chairman, Members of the Subcommittee, my name is Iris Kinnard and I am Director of the CONNPEP Upward Bound program at the University of Connecticut. I am testifying today on behalf of the National Council of Educational Opportunity Associations. I very much appreciate the opportunity to come before you today to discuss the need for a $200 million appropriation for the Special Programs for Students from Disadvantaged Backgrounds, the TRIO Programs.

THE FEDERAL ROLE IN ADVANCING EQUAL OPPORTUNITY IN HIGHER EDUCATION

Federal support for higher education, both in student assistance and in other programs authorized under the Higher Education Act and related acts, has been designed to accomplish a range of tasks--from promoting excellence in elementary and secondary education to assuring military preparedness. At least since the Second World War; however, promoting equal educational opportunity in our nation's colleges and universities has been a central thrust of federal involvement in higher education. There has been, and I am sure there will continue to be, commitment to the goal of equal educational opportunity and to the TRIO programs from both sides of the aisle.

For a number of young people and adults, the only obstacles to college attendance are economic; these students simply cannot pay the entire cost of postsecondary attendance. The student financial aid programs are designed to address this issue of relative economic disadvantages. Many other students, on the other hand, face obstacles to college attendance and graduation in addition to lack of financial resources. These obstacles include lack of information about the postsecondary options which are available to them, both in terms of college choice and financial aid; lack of familial and peer support for college attendance; lack of academic preparation; and lack of confidence.

THE TRIO PROGRAMS

For many students the TRIO programs make the critical difference with respect to opportunity in this society since they are the principal vehicle for addressing the non-financial barriers to equal opportunity at the college level. TRIO includes five programs: Educational Opportunity Centers, Special Services for Disavantaged Students, Talent Search, Upward Bound, and a training authority for Special Programs staffs.

Two of the TRIO programs--Educational Opportunity Centers and Talent Search--provide short-term information and counseling services to both youth and adults. In FY 1984 it is estimated that the 167 Talent Search projects will serve 190,000 low-income and first generation young people at an average cost of $93 per client. The 33 Educational Opportunity Centers will provide similar services to 104,000 displaced workers, welfare recipients and other disadvantaged adults at an average cost of $78 per client.

Upward Bound projects and Special Services projects, on the other hand, provide more sustained academic and counseling services. This year 421 Upward Bound projects are serving 33,000 disadvantaged high school students at an average cost of $2,175; approximately 660 Special Services projects are serving 150,000 low-income, first-generation and physically handicapped students enrolled in colleges and universities at an average cost of $446.

In FY 1980, the TRIO appropriation was $147.5 million which provided sufficient funding to serve 528,000 students. In FY 1984, the TRIO appropriation of $164.7 million will provide services for an estimated 478,000 students--a loss of 50,000 students.

THE DECLINE IN EDUCATIONAL OPPORTUNITY

This loss of students served by TRIO parallels similar substantial delines in college attendance by all disadvantaged groups. In my view, the principal cause of this decline is the loss in real value of student assistance. Since 1980, according to the College Board, the value of student financial aid dropped by 21%. During the same period, the value of the TRIO appropriation declined 28%.

Declining enrollments of low-income and minority students are visible on almost every campus. According to a study released this year by the National Center for Education Statistics, there are fewer black males in college today than there were in 1975, despite the fact that the number of blacks graduating from high school has increased by 20% since that time. The findings of the National Commission on Student Assistance indicate that there are fewer low-income students on campuses today than there were ten years ago despite increases in the number of families in poverty. Similarly, enrollments of Hispanic students are declining. Census data suggest that the percentage of 18 to 24 year old Hispanic youth attending college has declined from 20% in 1975 to less than 17% today. As I previously mentioned there are 50,000 fewer TRIO students served today then there were four years ago.

THE ACCESS ISSUE

Recent studies such as "Closing the Information Gap" prepared by the National Student Aid Coalition highlight the critical importance of information services in assuring that student financial assistance will indeed reach its intended beneficiaries. In Fiscal 1980, Talent Search and Educational Opportunity Center projects provided information about college admission and student financial aid to 329,000 disadvantaged youth and adults. These projects are located in areas which assure easy accessibility for the most disadvantaged students, and they have been particularly important in reaching minority students. For example, project placement records suggest that 20% of the Black and Hispanic freshmen entering college in 1983 had help in applying to college from a Talent Search project or an Eductional Opportunity Center.

Reports from all sectors of the higher education community suggest that limits on availability of student financial aid have resulted in declines in enrollment of low-income, first-generation and minority students. A recent paper commissioned by the National Commission on Student Financial Assistance documented the declines in enrollment among low-income students generally, and low-income Black students particularly, over the past seven years:

PARTICIAPTION RATES OF

Income	Dependent Students				Dependent Black Students		
	1974	1981	% Change		1974	1981	% Change
Income (in 1981 $)							
0-6,000	27.3	24.4	-10.6		30.7	21.2	-30.9
6,000-7,500	30.7	26.5	-13.7		42.5	20.3	-52.2
7,500-10,000	30.2	35.2	+16.2		36.0	31.9	-11.4
10,000-12,500	29.7	33.5	+12.8		32.3	23.4	-27.6
12,500-15,000	31.1	29.9	-3.5		32.9	35.4	+7.6
Total Dependent	41.3	41.0	-.7	Black Dependent	33.3	29.9	-10.2

Since 1981, these declines have been exacerbated by misperceptions regarding the availability of financial aid. United Negro College Fund institutions, for example, report a 12% decrease in the size of their freshman classes. Many prestigious institutions report similar declines in minority enrollment: Harvard's minority enrollment is down by 7%, Cornell's is down by 10%. The National Association of Independent Colleges and Universities reports a 30% drop in enrollment of students from families with incomes below $24,000. Talent Search and Educational Opportunity Centers provide the information and assistance necessary to counteract these trends and need increased funding to do so.

THE RETENTION ISSUE

Educational opportunity at the postsecondary level involves the issue of retention as well as the question of access. What the TRIO programs are designed to do is to provide disadvantaged students a realistic opportunity not only to enroll in college, but also to graduate from college. These services are vitally needed for between college entrance and graduation, the gap in achievement between advantaged and disadvantaged groups in the United States widens: 38% of today's white 18 year olds will enter college and within five years, 23% of that age group will graduate. For blacks, on the other hand, according to the Higher Education Research Institute at UCLA, only 29% will enter college and only 12% will earn a baccalaureate. Among Hispanics, only 22% enter college; only 7% will earn a baccalaureate.

Part of this problem, of course, stems from the alienation and lack of support many low-income, minority and physically handicapped students feel, particularly initially, on college campuses. Additional problems are caused by deficiencies in their academic preparation.

As the report of the National Commission on Excellence in Education documents, all too many youths are not acquiring sufficient basic academic skills in elementary and secondary schools. According to the Commission report:

- -- About 13% of all 17 year olds in the United States can be considered functionally illiterate; among minority youth, illiteracy may run as high as 40%.
- -- The percentage of students enrolling in college preparatory programs in high school has declined dramatically.
- -- Many 17 year olds do not possess the higher order intellectual skills such as reasoning and problem solving required for college work.

Addressing the problems of cultural adjustment and culture change, and remedying academic underpreparedness are difficult. If the experience of the University of Connecticut is to be relied upon, what is needed to be successful in preparing disadvantaged students for college is intensive academic preparation and personal support from family, concerned teachers, and peers. When the University of Connecticult began its pre-college program in 1968, we had a strong summer program but offered very limited support during the academic year. It was not enough. Now, because of substantial contributions from the state, the University, and Yale, we maintain Upward Bound centers in both New Haven and Hartford which which enable us to have almost daily contact with students enrolled. At these centers, CONNPEP Upward Bound provides tutoring, group instruction, and study skills classes. Monthly parent meetings and monthly career activities are also scheduled as are a range of recreational events. And this intensive work with students has proven to be a good investment. Of the 255 students served by CONNPEP Upward Bound between 1970 and 1979, 50% have graduated from college or are still enrolled. Twenty percent of the students who have graduated later went on to graduate or professional programs.

I would like to share with you the experience of two CONNPEP graduates:

--Francisco Borges grew up in New Haven in a family with five children. His total family income was $5,000 until the point that Francisco's father, a laborer, was killed in an industrial accident. After participating in Upward Bound, Francisco enrolled at Trinity College. After graduating from college and working for a time for IBM, he entered law school at the University of Connecticut. Shortly after graduation, he was elected City Councilman. Francisco is presently Deputy Mayor of Hartford.

Many CONNPEP graduates return to assist young people with backgrounds similar to their own:

--Dennis Mink was recruited from Weaver High School in Hartford, one of three children in a single-parent household. He was tall, lanky--a basketball player. After graduating from high school, Dennis returned to Upward Bound for a number of summers to work as tutor and recreation coordinator. He attended Tufts, graduated, taught at Weaver and later became Director of the Trinity University Upward Bound program.

THE TRADEOFF: CUT STUDENTS OR LIMIT PROGRAM EFFECTIVENESS

Individual TRIO progects, like most domestic discretionary programs, have lost substantial purchasing power over the past four years. Increases in average grant size for all TRIO programs other than Upward Bound have been less than $10,000 between FY 1980 and FY 1984. Over this period, while the effective dollars available have decrease by 28%, the number of students served has declined by only 18%.

But as you well know, one can only cut per student costs so far without sacrificing project effectiveness. With Talent Search--one of the two programs in competition for new funds this year--we are talking about projects with an average grant size of $106,000 where 70% of costs are in personnel. At this point, the obvious steps to cut costs have been taken. In very few institutions is there anything left to do but cut staff, tolerate increased staff turnover as a result of an inability to reward merit, or cut services and students.

I appreciate the opportunity to testify before you today and would be pleased to answer any questions you might have.

STATEMENT OF DR. JOHN A. DI BIAGGIO, PRESIDENT, UNIVERSITY OF CONNECTICUT

Senator WEICKER. Our next witness is Dr. John A. DiBiaggio, president of the University of Connecticut.

John, good to have you here. I think everybody in education circles should know that John has been your unofficial representative in keeping this chairman apprised of the needs of education throughout the country.

My phone rings on more than one occasion when matters that are of concern to all educators have arisen, and John very eloquently expresses those concerns.

Dr. DIBIAGGIO. Thank you, Senator. But, of course, you are available to me as well, and that is equally important, and I am pleased to see you again, Senator Inouye. You were here last year. The two of you are faithful. You should do something about your name, have a simple name like DiBiaggio.

I am here to testify on behalf of the American Council of Education, whose Commission on Government Relations I chair.

As you are well aware, the ACE represents some 1,600 colleges and universities throughout the Nation as well as a number of associations on higher education based here in Washington.

I need not tell either one of you that there has been a number of recent national studies pointing out the needs of higher education in a number of areas, such as student aid, graduate education, language and area studies, and instrumentation.

In addition to that, you are all, I know, very much aware of the fact that our facilities are in bad disrepair and must receive attention in the near future, and we simply haven't endowments to meet those needs either.

We have the responsibility, of course, to represent the needs of the entire community in all the areas of higher education and all the titles under the Higher Education Act, but we recognize that there are not adequate resources at this time to meet all of our needs, and we appreciate the problems that you face as members of the Senate.

Therefore, we are going to limit our remarks this morning and our request to increases in those programs which we think are most critical; that is, programs that provide student access and choice of postsecondary education.

Our priority in student aid is especially urgent because in recent years, as you well know, ground has been lost in the national commitment to postsecondary opportunity for citizens in this Nation. Studies by the National Commission on Student Financial Assistance indicate that the participation rate now of low-income students in Federal student aid programs has declined significantly and that grant support for these students has also declined in constant dollars.

From fiscal year 1980 to fiscal year 1983, this erosion represented a decline of 21 percent from need-based aid for our students, but increased funding which you generously provided—the Congress, that is—in fiscal year 1984 appropriations cut the decline to 16 percent.

We urge you now to make further progress in fiscal year 1985 to reverse that decline even further.

In reversing the decline, our first priority is to restore the balance among programs which was built into the 1980 amendments to the Higher Education Act for the expressed purpose of assuring that aid is distributed equitably to needy students in both public and independent institutions, and I can't emphasize that enough, Senator.

The issue of balance is important because the fiscal year 1984 appropriation bill waived the provision of law requiring supplemental grants be funded at $400 million and directed loan capital contributions at $286 million before authorizing payment of the $1,900 Pell grant maximum.

Indeed, however, the appropriation provided the $1,900 maximum but only $375 million for supplemental grants and $161 million for direct loans.

Thus, we have two overriding priorities, if you will: First, that $150 million of any additional funds available for student aid be used to restore the statutory balance among those programs as specified in the 1980 amendments, and at the same time that the erosion of student aid be stemmed by an increase in the Pell grant maximum.

For fiscal year 1985, we strongly urge—and this is a modest request—another $100 increase in the Pell grant to a maximum of $2,000. We estimate that the approximately $225 million required to fund this increase, together with the increase in the percentage of costs, limitation of 55 percent mandated by the law, when the minimum exceeds $1,900 would be adequate.

This would add approximately $100 to the awards of all recipients and prevent further erosion of the value of the award, which would occur without such an increase.

For supplemental grants, we recommend an increase of $45 million. This would restore the balance required by the law and provide some additional progress in stemming the erosion which has taken place in the program.

Although the administration has not requested funding for SEOG, as you are well aware, it is targeted on undergraduate students with substantial financial need and is especially critical for those attending higher priced public and independent institutions. The recommended funding would provide 75,000 additional awards.

To restore the balance required by law for the Direct Loan Program, we recommend an increase from $125 million to $286 million. This would support an additional 156,000 low-cost loans for needy students.

We would also recommend a $45 million increase for the College/Work Study Program. This would provide an additional 64,000 self-help opportunities and bring total funding for the program to $600 million, only $10 million over the appropriation of fiscal year 1983.

We recommend a level funding for the State Student Incentive Grants Program at $76 million, approximately its fiscal year 1980 level.

The administration argues that the program should be eliminated, but a loss of the program would result in a reduction of State support for needy students as well as a reduction in Federal commitment.

Other important student aid programs are authorized under title IX of the Higher Education Act, as you are well aware. We recommend an increase of $5 million for a modest expansion of graduate and professional opportunities, the GPOP Program, and implementation of the Javits national graduate fellowships, as well as continued funding for public service fellowships, assistance for training in the legal profession and law school clinical experience that you heard about before.

We recommend an increase of $15 million to provide modest increases in the TRIO Program, which Iris talked about so eloquently. This would bring the funding to $180 million, slightly less than what she requested.

The administration, of course, seeks to cut the TRIO funding in half. We believe they should receive an increase, rather, to permit some extension of what I believe are very important and highly successful programs.

Finally, the various categorical assistance programs of the Higher Education Act provide important assistance for a variety of national purposes. We urge their continuation at present level and that appropriations sufficient to maintain current services provide real incentives as funds become available.

We would once again remind you of our critical need to address extensive facilities problems at our colleges and universities. Particularly, we ask you to direct revolving funds for the College Housing Loan Program so that they would be available for new commitments to avoid discontinuing this important program, as the administration has requested.

In summary, Senator, we are asking $225 million in addition for Pell grant funding; $45 million for SEOG in addition; an addition of $45 million for college work/study; $125 million for NDSL's; $15 million for TRIO; and $5 million for grad fellowships; steady funding for the categorical programs; and we think if one looks at that request it is certainly modest and responsible and certainly not overdemanding in these difficult times for you and other Members of the Congress.

And, finally, I would take this opportunity to express the gratitude of the entire community for your strong support and your introduction of an amendment increasing funding for biomedical research.

Senator WEICKER. Thank you very much. I think we will probably be acting favorably, at least on a few of these matters, in order of the priority that you have stated before the committee.

Senator Inouye.

Senator INOUYE. Just for the record, I notice that the Pell grants were $1,800 maximum in fiscal 1979.

Dr. DIBIAGGIO. Yes, sir.

Mrs. MASON. In 1984 it went up to $1,900, something of a 5-percent increase. During that period, what was the increase in the cost of higher education—postsecondary?

Dr. DiBiaggio. Substantially above that, depending upon the institution, but the increment was at least 50 percent. About 12 percent a year.

Senator Inouye. Twelve percent a year.

Dr. DiBiaggio. An aggregate of about 50 percent, I would say.

Senator Inouye. When the cost has gone up 50 percent, Congress increased it 5 percent?

Dr. DiBiaggio. Yes, sir.

Senator Inouye. That is all I have.

Dr. DiBiaggio. And we understand that there is a problem for you. But those grants are going to the very neediest students, as you well know, and we still have many students who have inadequate funding, and we think there are many students who are not attending college because of that.

Senator Inouye. How does the University of Connecticut make up the difference?

Dr. DiBiaggio. Well, we do it through whatever funds we have institutionally. We do it through work opportunities, some of which are provided by the State, and the student has to make up the difference—and our minority enrollments.

And I think institutions across the country are seeing a decline in the number of students from financially disadvantaged backgrounds.

Senator Inouye. Thank you very much.

Senator Weicker. Let me correct one thing. This issue about having a difficult time because the money isn't there. The money is there. It is a question of what the country wants to do in terms of how to allocate the money. That is our problem. The money is there today.

We have just chosen to go down a different road as to what we feel gives strength to this United States. I think there are those of us who feel there is as much strength and security to be had in education as what we normally associate with security, which is hardware.

Dr. DiBiaggio. We would contend that to be the case as well, and that is why we think that our request is, if anything, very modest in light of the increased defense budget.

Senator Weicker. I was thinking about it coming to work today. We sit here and barter for a couple of million dollars, which certainly sounds significant—but compare that to billions and billions and billions in terms of defense.

Believe me, I am getting a little bit fed up with it. I really am.

Thank you very much.

Dr. DiBiaggio. Thank you, Senator.

[The statement follows:]

STATEMENT OF JOHN A. DIBIAGGIO

Thank you for the opportunity to present recommendations for FY 85 funding of higher education programs. As Chairman of the Commission on Governmental Relations of the American Council on Education, my testimony is presented on behalf of ACE's membership of 1,600 colleges, universities, and higher education associations.

This nation is critically dependent on the capacity of its colleges and universities to meet the educational and training needs of a diverse population and a highly complex economy, to advance the frontiers of knowledge and research, and to encourage their practical application. Yet the capacity of our institutions is being sorely tested. Recent national studies have identified major needs for increasing federal support for student aid, graduate education, language and area studies, and laboratory instrumentation. Our physical plant requires renovations far exceeding the total value of our present endowment.

Therefore we have given special thought to our recommendations which must be made this year against a background of fiscal stringency and a Budget Resolution permitting only nominal increases in spending for any programs of national importance. While we have a responsibility to represent the needs of the community for all programs authorized by the Higher Education Act, we recognize that the resources will not be available to meet all these needs. Therefore we are limiting our requests for increases to those programs providing student access and choice of postsecondary education.

Our priority on student aid is especially urgent because in recent years ground has been lost in the national commitment to postsecondary opportunity. Studies by the National Commission on Student Financial Assistance indicate that the participation rate of low-income students in federal student aid programs has declined, and that grant support for these students has also declined in constant dollars. There is an increasing body of disturbing evidence that proportionately fewer students from low-income families are attending college, and that their attendance at higher-priced institutions in particular is declining.

We appreciate the efforts of this Subcommittee to reverse the serious erosion in the value of student aid. From FY 80 through FY 83 this erosion represented a decline of 21 percent for need-based aid (excluding Guaranteed Loans), but increased funding in the FY 84 appropriation cut the decline to 16 percent. We urge the Subcommittee to make further progress in FY 85 to reverse the decline, which has clearly served to restrict educational opportunities, and to reject the Administration's budget request which would accelerate the decline to 26 percent.

Importance of Balance Among Student Aid Programs

In reversing the decline, our first priority is to restore the balance among programs which was built into the 1980 Amendments to the Higher Education Act for the express purpose of assuring that aid is distributed equitably to needy students in both public and independent institutions. Without balanced increases in the campus-based programs, for example, increases in Pell Grants could result in a shift of federal funds to needy students in the public sector, while higher-priced institutions would have relatively less assistance available to help students meet their costs.

The issue of balance is important because the FY 84 appropriation bill waived a provision of law requiring Supplemental Grants to be funded at $400 million and Direct Loan capital contributions at $286 million before authorizing payment of a $1,900 Pell Grant maximum. Instead, the appropriation provided a $1,900 maximum but only $375 million for Supplemental Grants and $161 million for Direct Loans.

Thus we have two overriding priorities: first, that $150 million of any additional funds available for student aid be used to restore the statutory balance among these programs as specified in the 1980 Amendments; and at the same time, that the erosion of student aid be stemmed by an increase in the Pell Grant maximum.

Pell Grants

The Pell Grant program, which provides the basic foundation for all student assistance, clearly illustrates the erosion of student aid in recent years. In FY 79, when the maximum award was first raised to $1,800, it represented 46 percent of the average cost of attendance at all institutions (although only 30 percent of the cost for students attending independent institutions). Despite sharp increases in college costs, the maximum award was not increased until FY 84, when it was raised by $100. This will meet only

31 percent of the cost for students attending college in the next academic year, and only 20 percent of the cost for students at independent institutions.

For FY 85, therefore, we strongly urge another $100 increase in the Pell Grant maximum to $2,000. We estimate that approximately $225 million would fund this increase, together with the increase in the percentage-of-cost limitation to 55 percent mandated by law when the maximum exceeds $1,900. This would add approximately $100 to the awards of all recipients, and prevent the further erosion of the value of the award which would occur without such an increase.

Supplemental Grants

For Supplemental Grants we recommend an increase of $45 million, from $375 million to $420 million. This would restore the balance required by law, and provide some additional progress in stemming the erosion which has taken place in the program. Although the Administration has not requested funding for SEOG, it is targeted on undergraduate students with substantial financial need and is especially critical for those attending higher-priced public and independent institutions. The recommended funding level would provide 75,000 additional awards.

Direct Loans

To restore the balance required by law for the Direct Loan program, we recommend an increase of $125 million, to $286 million. This would support an additional 156,000 low-cost loans for needy students. The Administration seeks to end capital contributions to this program, arguing that revolving funds will provide about $585 million for new loans to 731,400 students. Nevertheless, some 2,500 institutions throughout the country would have to cut back on loans substantially if federal capital contributions were unavailable. These institutions report a need for additional capital contributions in excess of $900 million.

College Work-Study

We also recommend a $45 million increase for the College Work-Study program. This would provide an additional 64,000 self-help opportunities and bring total funding for the program to $600 million -- only $10 million over its appropriation in FY 83.

State Student Incentive Grants

We recommend level-funding for this state-based program at $76 million -- approximately its FY 80 level. The Administration argues that the program should be eliminated because most states overmatch the federal requirement, but at least 15 states rely on the federal share for 45 to 50 percent of total funding. Therefore, loss of the program would result in a reduction of state support for needy students as well as a reduction in the federal commitment.

Guaranteed Student Loans

We note that the Administration's estimate of GSL costs is some $200 million lower than CBO's projection, because program changes are assumed which would require changes in the authorizing legislation. We see no prospect for such changes this year, and believe that the proposed changes should be considered in the context of the pending review and reauthorization of the entire Higher Education Act.

Graduate Fellowships

In addition to the programs authorized by Title IV, other important student aid programs are authorized by Title IX of the Higher Education Act. We recommend an increase of $5 million for modest expansion of the Graduate and Professional Opportunities Program (GPOP) and implementation of the Javits National Graduate Fellowships, as well as continued funding for Public Service Fellowships, Assistance for Training in the Legal Profession, and Law School Clinical Experence.

It is ironic that the Administration proposes to eliminate all funding for Title IX programs on the heels of the bipartisan National Commission on Student Financial Assistance report finding "serious signs of distress" in the graduate sector and declaring unanimously that "federal support is indispensable to excellence in graduate education."

Special Programs for the Disadvantaged

We recommend an increase of $15 million to provide modest increases in Upward Bound, Talent Search, Special Services, Educational Opportunity Centers, and staff training grants. These programs are of proven value in encouraging the participation and retention of disadvantaged youth in college. They have suffered some restriction in recent years due to increased costs. The Administration seeks to cut them in half; they should receive an increase to permit some expansion of access to these services.

Categorical Support

The various categorical assistance programs of the Higher Education Act provide important assistance for a variety of national purposes. The Administration would eliminate all but two: Title III grants for developing institutions, and the Fund for the Improvement of Postsecondary Education. We agree that these two programs are of high priority, but we insist that support for international studies, college libraries, and cooperative education also maintain their high priority in strengthening the quality of higher education. We urge their continuation at least at present levels, and at appropriations sufficient to maintain current services and to provide real increases as funds become available.

We also remind the Subcommittee of the growing need to address the extensive facilities problems of colleges and universities throughout the country. In particular we ask the Subcommittee to direct that revolving funds from the College Housing Loan program continue to be made available for new commitments, to avoid discontinuing this important program as the Administration has requested.

In summary, we recommend the following increases to maintain and strengthen postsecondary opportunities for needy students:

	FY 84	ACE Request for FY 85
Pell Grants	2.8 B	+225 million
SEOG	375 M	+ 45 million
CWS	555 M	+ 45 million
NDSL	161 M	+125 million
TRIO	165 M	+ 15 million
Grad Fellowships	15.5 M	+ 5 million

STATEMENT OF DAVID H. FLORIO, DIRECTOR, GOVERNMENTAL AND PROFESSIONAL LIAISON, AMERICAN EDUCATIONAL RESEARCH ASSOCIATION

Senator WEICKER. The last witness on the matter of higher education is David Florio, director of governmental and professional liaison, American Educational Research Association.

Mr. FLORIO. Thank you, Senator.

Mr. Chairman, I want to thank you for this opportunity to speak on behalf of the American Educational Research Association. I am David Florio, director of governmental and professional liaison for the AERA.

I appear here today to urge your support for the funding of the National Institute of Education, the National Center for Education Statistics, and other research-related programs in the Department of Education.

I am also particularly here to enlist your help in making sure that there is a fair, open, and productive competition for all of the NIE-supported laboratories and centers in 1985.

Last year, over a dozen national studies on the condition of American education were released. NIE and NCES contributed to those reports, and they have led to reform efforts at the State and local level all across the country.

These task forces and State legislative bodies, going through the formal recommendation and implementation programs, need timely and up-to-date information. Governors, State Legislators, and school boards are actively seeking research findings to make informed policy choices. The administrators and teachers are also in need of research-related information to cope with implementation problems at the school site level.

AERA and the research community is pledged to work with these local and State educators and the policymakers to provide the best available research evidence.

Research, though, needs a direct tie to the reform efforts. We have recently passed resolutions at our annual meeting in order to promote better ties between research and the front lines of American education. Specifically, barriers that separate research from policymaking practice must be broken.

Congress plays a vital role in making sure that Federal agencies support research and education. We also urge your support to assure that research results are made available in useful forms to those who need it most—teachers, administrators, and school board members and other legislators.

The fiscal year 1985 funding and program goals at NIE and our association are consonant. The Director of NIE has said his national theme is strengthening American classrooms. That is also one of our major goals.

He has said that he wants to do this through initiation of three areas of activity—improved educational software and the use of technology, improving the recruitment, selection, and training of teachers, and finally, discovering what makes secondary schools effective. We share those goals and think they are appropriate within the limit request that the administration has allowed the Institute.

However, there are other plans that could strengthen the Institute's effort to make research and development efforts more productive for American education.

We urge the committee to go beyond the administration request and provide NIE with the amount necessary to restore its regular research grants competition, which it has not had since 1980. We also urge that NIE's level of support should be about the same level of its modest $74 million appropriation in 1980.

Most of these new funds would not go directly for research, but rather would go for a program to launch school improvement efforts by using research; in short, trying to get school people and the research community to reach together.

Our requested level would allow for the approximately $50 million needed to retain the existing commitment to laboratory centers, information clearinghouses, and the national assessments, a few hundred thousand dollars of which would also allow the national assessment to do State-by-State assessments so we don't have spurious comparisons among States with out-of-date information.

Approximately, $6 to $10 million could be used to restore the grants competitions and pay for the NIE share of the congressionally mandated title I or chapter I study.

But most of the new money, if this level of funding was restored, would go to NIE's plans to work with practitioners in national, regional, and local organizations, and direct funds for local school systems so that teachers, administrators, and policymakers can be directly involved in screening and selection of research findings appropriate for their particular circumstance.

Let me say that I want to turn to the competition for labs and centers. It is among our highest priorities, and it is critical for the research community and the future of educational research, since it is the largest share of NIE's budget.

The committee delayed the competition, so there would be no decisions on it until after the 1984 election.

There were questions also recently raised about the school technology center award. We have expressed these concerns to the Director, and he has responded by inviting the president of our association, the president of the Council for Educational Development and Research, which represents the labs and centers, the past president of the American Association of Colleges for Teacher Education, and the head of the Federation for Cognitive Science to work together and design a peer review system which will be acceptable to all.

At our recent meeting, we entered into an informal compact with the Director. We informed him we would be watching every move of the Institute, and he pledged to us that he would, within the scope of the law, work with us to assure that decisions are made through a fair and open competition, driven by peer review involving both practitioners and researchers.

We would also like to work with the committee in keeping you informed of what we know in terms of hearing your concerns and expressing them widely in the research and practice community.

We join with the American Association of Universities, ACE, and the National Association of State Colleges, State Universities, and Land Grant Colleges, who have recently issued statements in support of the peer review, and we would need your leadership in discouraging any attempts by any group or institution to gain special favors in the forthcoming competition.

The integrity of this competition and respect for the subsequent work of the competition winners hinges upon a broadly assured view that the competition is fair, open, and judged by competent peers.

I would like to close in saying that American education probably now more than ever needs timely relevant information to cope with the many, many reform efforts going on.

We think NIE has neglected a number of areas of inquiry over the years. We have included some of those in our testimony and would be glad to respond to your questions.

The reason they have eliminated work or not done work in the area is they decided to pick and choose rather than level down the funding for all their research efforts, and we think that is probably appropriate. But we have to cope not only with today's reform efforts but the forthcoming problems of American education.

I would be glad to respond to any questions.

PREPARED STATEMENTS

Senator WEICKER. Thank you very much, Mr. Florio. I appreciate your testimony. Your statement will be included in the record at this point along with other statements for the record on appropriations for higher education.

We now move into the next group of witnesses—elementary and secondary education. The next witness, after a short 2-minute recess, will be Jean Sisco, member of the board of directors of Reading is Fundamental, Inc.

[A brief recess was taken.]

[The statements follow:]

STATEMENT OF DAVID H. FLORIO

Mr. Chairman, I want to thank you for this opportunity to speak on behalf of the American Educational Research Association. I am David Florio, Director of Governmental and Professional Liaison for the A.E.R.A.

I appear today to urge your support for the funding of the National Institute of Education, the National Center for Education Statistics, and research related programs in the Department of Education. I also want to enlist your help in making sure that the fair, open, and productive competition for NIE-supported regional laboratories and national R&D centers is achieved in 1985.

Last year over a dozen national studies on the condition of American education were released. Education research formed the basis of these national reports and much of that research was supported by the National Institute of Education. The National Center for Education Statistics also made significant contributions. The national reports are being followed by reform efforts at the state and local levels of policy and practice.

VALID INFORMATION NEEDED FOR REFORM SUCCESS

Mr. Chairman, hundreds of state and local commissions and task forces are meeting around the nation to sort through education reform recommendations and implementation problems. Governors, state legislators, and school boards are actively seeking research findings to make informed policy choices. Administrators and teachers also need research-based information to cope with implementation problems at the local school level. A.E.R.A. is pledged to work with these local and state educators and policymakers to provide the best available research evidence.

RESEARCH NEEDS A DIRECT TIE TO REFORM EFFORTS

A.E.R.A. has recently passed several resolutions to work for better ties between research and practice at the front lines of American education. Specifically, barriers that separate research from policymaking and practice must be broken.

The Congress plays a vital role in making sure that federal agencies support research and development in education. We also urge your support to assure that research results are made available in useful forms to those who need it most: teachers, parents, administrators, school boards, and legislators.

NIE FY85 FUNDING AND PROGRAM GOALS

A.E.R.A.'s program goals for NIE are consistent with the national theme, "Strengthening America's Classrooms," articulated by NIE Director, Manuel Justiz. We also support his initiatives for FY85:

- Improving educational software and the use of school technology
- Improving the recruitment, selection, and training of teachers
- Discovering what makes secondary schools effective

We believe that the Director has chosen appropriate initiatives within the limited budget request allowed by the Administration. However, there are other plans which would strengthen the Institute's efforts to provide research and development results to educational decisionmakers and practitioners throughout the nation.

We urge the Committee to go beyond the Administration's request and provide NIE with the resources to restore regular research competitions in the critical areas of teaching and learning, education policy and administration, and higher postsecondary education. Furthermore, we believe that NIE's level of support should be equal to the modest appropriation of 1980 ($74 million). Most of the new funds could then be used to ensure that research resources are used in state and local reform efforts.

The requested level of support would provide for the Director's national theme, his initiatives, and the vital funds for research-based reform efforts.

> $50 million is needed to retain commitments to essential NIE core programs. These commitments include support for existing labs and centers, a new Midwest lab, regional exchanges in the Northeast and Southeast, the national lab and center competitions, the National Assessment of Educational Progress (including state-by-state assessments, and a new literacy project), information clearing houses, and research institutions focused on teaching, reading, and bilingual education.
>
> $10 million would restore grants competitions in the congressional priorities for NIE and meet the Director's goals for research progress in technology, teaching, and secondary school reform. Funds from this allocation will support the congressionally mandated study of compensatory education under ECIA Chapter I.
>
> $15 million is needed to launch a grants program for local schools to apply research findings to reform efforts. This would include NIE plans to work with education practitioners through national, regional, and local organizations. These funds would also provide resources to local schools and school systems to make sure that teachers, administrators, and policymakers are involved in the screening and selection of research findings appropriate to their state and local circumstances. Funds could also support cooperative action-research projects at the local school level involving teachers and administrators with researchers.

CONFIDENCE IN THE LAB AND CENTER COMPETITION

Mr. Chairman, I would like to turn to the forthcoming competition for the NIE-supported laboratories and centers. This Committee delayed the competition so that no awards would be made prior to the 1984 election. Also, there were questions regarding the recent school technology center award. We have expressed our concerns about the NIE proposal review process to the Director. He has commissioned four advisors, representing the education research community, the existing centers and laboratories, schools of education, and cognitive and psychological scientists, to guide the Institute in the development and operation of the peer review process for the competitions.

The Institute has issued proposed rules and will convene an open meeting of the National Competition Advisory Panel later this month. As you may know, qualified and experienced educators, researchers, and policymakers have participated in the planning process for the competitions. We have discussed the issues of center themes, laboratory regions, and proposal review with the Director and the appropriate staff. We believe that, with the support and encouragement of the Congress, a fair and open competition for ten regional laboratories and nine to eleven national research and development centers will be accomplished.

To that end, we offer the Chair, members, and staff of the Committee our services in providing information relevant to the competition.

SUPPORT FOR THE PEER REVIEW PROCESS

We join with the Association of American Universities, the American Council on Education, the National Association of State Universities and Land-Grant Colleges, and research societies in urging the Committee to support the peer review process. We will need your leadership in discouraging attempts by any group or institution to gain special favor in the forthcoming competitions. The integrity of the competition and the respect for subsequent work by competition winners hinge on a broadly shared view that the competition was fair, open, and judged by competent peers.

TIMELY, RELIABLE INFORMATION IS CRITICAL

We also call the Committee's attention to the plight of the National Center for Education Statistics. Unlike other statistical units of the Federal government, NCES is unable to provide timely data on the full range of education issues necessary to the Congress, state and local policymakers, and educators at every level. NCES, like NIE, has had no increase in funding for nearly a decade.

Recently the General Accounting Office released a report questioning the data on mathematics and science teacher shortages. This does not mean that there are not shortages. The study pointed out that there are variations across states, regions, and localities and that there is no reliable data on specific subject areas. Similarly, we must wait nearly two years for the data reported in the NCES' basic publication, "The Condition of Education." The delays in data collection are primarily caused by undue interference within the administration, particularly OMB screening of voluntary survey items. However, the major delay in reporting is the backlog in analyzing already collected data. With additional funding from the Congress, NCES could update their data bases, increase rapid-response surveys, and reduce the delays in reporting.

IMPORTANT, BUT NEGLECTED R&D WORK

The field of education research is in a position to move from merely identifying problems to providing needed resources for local and state solutions. We have made major strides in improving elementary schools and basic skills. Neglected areas of inquiry and new challenges lie ahead. The following areas are critical for successful reform efforts:

Effective Secondary Schools We need to build on the successful research on effective elementary schools, to explore and discover the attributes of effective middle, junior high, and senior high schools.

Reading Comprehension We need to expand our initial research on reading comprehension and interpretation to explore the uses of computers, comprehension in various subject areas (math, science, history, government), and the improvement of texts and literature for the young.

Education Technology The nation's schools have doubled their use of micro computers over the past year. NIE made a strong start with its support of the school technology center; however, more must be done in the area of instructional software and adaptations for various subject areas.

Written Composition Initial work in the area of written composition has shown great promise for teaching both thinking and writing skills. In addition to the needed research in writing for critical and analytical thinking skills, support is needed to explore the benefits of word processing as a motivation for writing.

Problem Solving Mathematics and science problem solving are critical tasks for school students. We need further investments in cognitive science to understand student mistakes, diagnoses, and teaching strategies related to advanced academic skills for future education and career advancement.

Teaching Policy Recent reform recommendations present additional problems for educators. Studies indicate that salary is a necessary but far from sufficient incentive to recruit and keep good teachers. We need to explore the effects of state and local policies on the working conditions which teachers face day-to-day. We also need to identify what policies and conditions push good teachers out of the profession.

Language Acquisition In certain parts of the nation, limited English proficient children make up a sizable, in some cases majority, of the student population. Far too little has been invested in studying effective language acquisition and teaching strategies for these students. Similarly, there is a national crisis in the study of foreign languages.

Postsecondary and Higher Education NIE's limited funds have been focused on higher education management issues and general surveys or finance studies. Little has been done to assist higher education institutions to cope with changing student populations. Similarly, postsecondary adult education needs much more work in the areas of the displaced worker, increased literacy requirements, and transportable skills.

Education and Economic Development NIE has initiated work in the area of educational investment in human capital or the "know how" needed for productivity and international economic competition. This work must grow to include a better understanding of literacy, changing workplace conditions, international markets, and public and private investments in learning. Such studies should include explorations of effective public/private education partnerships.

The past three years have left NIE and other education department research programs with few resources to mount initiatives in new areas of critical need. Any further neglect of support will shortchange efforts to disseminate and use existing research results and preclude the needed funding of research projects for the future.

CONCLUSION

The education research community seeks your support and encouragement as we join forces with those educators and policymakers grappling with reform opportunities. We thank you for this opportunity to testify. The American Educational Research Association is most willing to work with the Committee to provide additional information.

STATEMENT OF GORDON M. AMBACH, PRESIDENT, UNIVERSITY OF THE STATE OF NEW YORK AND COMMISSIONER OF EDUCATION

I am Gordon M. Ambach, President of the University of the State of New York and Commissioner of Education. I appreciate the opportunity to submit the views of the New York State Board of Regents and the Education Department on the FY 1985 appropriations for Federal education programs.

The fervent debate over the improvement of education stimulated by the report of the National Commission on Excellence in Education, and several others, has created a nationwide awareness of the magnitude of the problems and the additional resources needed to respond. A study by the U.S. Department of Commerce identifies education as a primary factor in the transition of our Nation's economy from an industrial based economy to an information based economy. Federal assistance through increased funding for existing Federal education programs and new Federal incentives is important to carrying out state planned improvement activities and assuring the development of our new information based economy.

The President's FY 1985 Budget for education programs is a disappointment. Although overall funding proposed is a 0.9 percent increase over the FY 1984 funding level,* this is due in large part to the 25 percent increase in interest payments to banks and other lenders under the Guaranteed Student Loan (GSL) Program.
Without the GSL interest payments, there is a 3.5 percent decrease in the President's Budget for education programs. This compares to an overall proposed increase for the U.S. Budget of 8 percent over FY 1984 levels.

The President's budget policy for education is: reductions in small categorical programs; level funding for the basic grant programs; consolidation of student aid with less funding; and elimination of nearly twenty programs.

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* Totals exclude OCR, Inspector General, ED Management, Special Endowments, and Research Overseas.

We urge the Appropriations Committee to reject these proposals, and to provide an increased level of funding to assist not only in meeting inflation pressures, but in addressing important educational improvement needs as well.

Specifically, we propose the following actions:

1. Restore President's reductions. We urge the Appropriations Committee to reject the President's proposed reductions. This is not the time in our economic transition to eliminate all forms of assistance to libraries which the U.S. Department of Commerce has identified as a specific primary factor in an information economy. At a time when we must make maximum use of all our human resources we should not be decreasing our effort for the handicapped, migrant and financial aid for postsecondary education. With the importance of maintaining a global perspective we must not be closing out international education programs.

This would restore approximately $450 million to current funding levels. Education is an investment in the future, not a one time spending program.

2. Math/Science/Engineering. We urge an appropriation of $425 million to implement the math/science legislation (H.R. 1310 and S. 1285) awaiting Senate action, and House-Senate final approval.

3. Emergency School Aid Act. We urge an appropriation of $100 million for pending legislation (H.R. 2207 and S. 1256) which would restore the ESAA to a categorical program. The concern for equity in education must be maintained as a Federal concern.

4. ECIA, Chapter 2. The President's budget proposes a $250 million increase in ECIA Chapter 2 for school year 1985-86. We urge the Appropriations Committee to accept this proposal, and to provide an additional $250 million, for a total increase of $500 million. As states and local districts implement their educational improvement plans they need Federal assistance. Not all states and local districts have the same need, but the additional funds in this program would enable the State and local districts to channel the new resources into their priority areas of need. It is important that this program assists all school children whether in public or nonpublic schools.

5. National Institute of Education. Finally, the President has proposed an increase for NIE of $6 million over the FY 1984 appropriation. We propose an additional $10 million for a total increase of $16 million. This would bring NIE's funding level to approximately the FY 1981 appropriation level, a point at which it was only part way into its several year decline.

The additional funds are needed to promote a national research agenda, focusing on critical-needs areas to improve the quality of our education system to meet the worldwide competition we face today. This would be carried out through a network of regional educational laboratories, institutions of higher education, and state education agencies. It should be noted that New York State and the six New England States have not been served by a regional laboratory for over ten years, thereby denying the Northeast a framework to address regional and national educational priorities.

These proposals represent our views of targeting scarce resources on current and newly identified needs in education. They total $1.25 billion over the President's FY 1985 budget request, an 8 percent increase. However, they by no means fully encompass all the existing needs in education as addressed through Federal programs. If existing programs were funded in FY 1980 dollars, a $5.5 billion increase over the President's budget would be required to return educational services to their FY 1980 levels.

STATEMENT OF ROBERT D. EVANS, DIRECTOR OF THE GOVERNMENTAL AFFAIRS GROUP, AMERICAN BAR ASSOCIATION

I am Robert D. Evans, the Director of the Governmental Affairs Group of the American Bar Association. I am submitting this statement on behalf of the Association at the request of our President, Wallace D. Riley.

The program for which we here urge continued funding is a small one, currently funded at only $1 million, but it is a very important one. The Council on Legal Education Opportunity, or CLEO, is the principal avenue by which thousands of disadvantaged people, primarily minorities, have been able to enter the legal profession. The American Bar Association is one of five law-related organizations which sponsor CLEO and which support it financially. Our Board of Governors recently designated the refunding of CLEO as one of the Association's most important legislative objectives for the current year. We ask that you provide an appropriation of $1.75 million for CLEO for FY85.

CLEO was founded by our Association and the other sponsoring organizations in 1968 to provide a means by which to bring into the legal profession disadvantaged and minority persons who, to that point, were woefully underpresented in the legal profession. The program sought to identify such persons and encourage them to apply to law school; to provide special pre-law school training which would facilitate their entry into law school and their satisfactory performance once there; and to provide financial assistance to them while in law school.

Some measure of the program's success can be found in the statistical record of minority involvement in the legal profession. In 1968, when the program was started, only slightly more than 1% of the nation's lawyers were members of minority groups. This year, minority students comprise 9.8% school population. The percentage of minorities in the profession as a whole has risen to about 4%.

The CLEO program itself has provided the opportunity for over 3400 students to attend law school. Beyond the number of persons who have been CLEO "fellows," however, the program has stimulated law schools to seek out and work with other disadvantaged and minority students and has stimulated interest in attending law school among minority and disadvantaged students who have entered law school through channels other than the CLEO program. The net result is that we now have a legal profession which more accurately reflects the nation's population, demonstrating that there is indeed equal opportunity for all under the law in this country.

In 1974, Congress recognized the valuable contribution being made to the nation by this program and began providing an annual appropriation to CLEO. The initial appropriation was set at $1 million, and it has not been increased since. The sponsors of the program make ongoing contributions as well; our Association, for example, provided over $100,000 to the program last year. It has also been estimated that the nation's law schools provide assistance approaching $3 million each year to the program and the CLEO fellows.

The program, however, has suffered greatly as a result of the effects of inflation. In the decade since 1974, the purchasing power of the dollar has fallen by more than half, and tuition costs at our educational institutions have increased at an even greater rate than has overall inflation. The result has been that the $1000 stipends given to CLEO fellows, which have not changed in amount during this period, are providing less than half the aid they did 10 years ago. By comparison, other federally-funded graduate and professional programs have provided financial assistance of $4200 or more. The effect of the CLEO stipends has been to place an additional financial burden on the already disadvantaged students who are the heart of this program. In addition, the summer institute advanced training programs for these students have had to be scaled back.

CLEO is seeking an appropriation of $1.75 million for the coming year. This modest increase will permit the program to raise its stipends to $2000 per year, still less in real dollars than a CLEO fellow received in 1974 but nonetheless a significant and long-overdue increase.

Also the levels of support for the summer institutes would be returned to a level comparable to that of 1974.

We urge you to appropriate $1.75 million for the Council on Legal Education Opportunity for FY85.

Senator WEICKER. Proceed with your testimony.

STATEMENT OF JEAN HEAD SISCO, MEMBER, BOARD OF DIRECTORS, READING IS FUNDAMENTAL, INC.

ACCOMPANIED BY RUTH GRAVES, PRESIDENT, READING IS FUNDAMENTAL, INC.

Ms. SISCO. Mr. Chairman, on behalf of Reading is Fundamental, thank you for the opportunity to testify on the fiscal 1985 appropriation for the Inexpensive Book Distribution Program, chapter II, Secretary's discretionary fund of the ECIA.

RIF operates this program under contract with the Department of Education, and we have submitted written testimony and would like to have it made part of the record.

Senator WEICKER. It will all be made part of the record.

Ms. SISCO. Thank you.

Reading is Fundamental is especially grateful to the members of this subcommittee for the bipartisan support you have given the Inexpensive Book Distribution Program, for the fiscal 1984 appropriation you provided, and for the steps you took in 1981 to ensure the continuance of this program.

The administration has requested $6.5 million for the Inexpensive Book Distribution Program for fiscal 1985. That is the same level as we got in fiscal 1984.

Reading is Fundamental respectfully requests that the Congress appropriate at least $6.5 million for the program.

Realistically, due to the rising book cost, level funding would mean withdrawing the program from as many as 65,000 children, and we would continue to turn away new funding requests, now at the rate of some 1,000 per year.

Yet we recognize the budget problems Congress faces, and we would greatly appreciate your favorable consideration for funding at the $6.5 million level.

The Federal Book Program addresses an urgent problem—the record number of young people who simply are not reading. RIF works to solve that problem by changing children's attitudes toward books and reading. This has been well-documented and is evident from reports received from citizens throughout the country.

In your State, a school administrator in Hartford, CT, comments that "the impact of RIF is clearly demonstrated by the increase in library use—100 percent in one facility. Students have become aware through having books of their own that they find pleasure, excitement, and opportunities to grow through reading."

Last year, RIF put nearly 7 million books into the hands of more than 2.2 million youngsters. Over 3,000 RIF projects in 9,500 locations serves these young people. We are in schools, in libraries, on native American reservations, in migrant worker camps, in community centers and housing projects—wherever children gather we attempt to be there.

The services are provided at an impressively low cost to the Government, only $2.64 per child per year. The program reaches so many children at such a low cost for several reasons:

First, RIF has mobilized a cross section of Americans to operate local programs. Since 1976, these volunteers have donated more than 7.2 million hours to our project.

Second, the program gets results because it puts books into the homes and involves parents in their children's reading. Of the RIF's 96,000 volunteers, 37 percent are parents.

Finally, this program is a unique partnership between the public and private sectors. Today, some 5,500 businesses and organizations support local RIF programs.

Other multipliers of Federal help include substantial book discounts that RIF has negotiated with 333 book suppliers and the many services RIF provides to projects with private funding.

As a result, for every Federal dollar invested in the book program, RIF and local projects bring in about $3 in private funds, goods, and services.

And the program succeeds in improving reading. Fresh evidence of this comes from a 1983 survey—by the way, conducted at no cost to the Government—of the more than 3,000 RIF projects. An overwhelming 92 percent of the respondents said RIF has a significant effect in interesting children in reading.

Other vital benefits include increased library usage, increased parental involvement in schools, improved reading achievement, an important assistance to teachers in motivating children.

And we have received so many comments from local groups throughout the country. I am sorry that the Senator left because I had a wonderful quote from Hawaii to give to him.

The Inexpensive Book Program is a successful and low cost way to get children to read. It offers simple and effective means for local citizens to help combat illiteracy.

It is a small but wise investment in the Nation's future, and we thank the committee again for its past support, and we respectfully request that Congress assure that the Inexpensive Book Distribution Program keeps America's youngsters reading by specifying an appropriation of at least $6.5 million.

Thank you very much.

Senator WEICKER. Thank you very much. Thank you both.

[The statement follows:]

STATEMENT OF JEAN H. SISCO

Reading Is Fundamental, Inc. (RIF) thanks the Subcommittee for the opportunity to testify on the FY 1985 appropriation for the Inexpensive Book Distribution Program (IBDP), Education Consolidation and Improvement Act of 1981, Chapter II, Secretary's Discretionary Fund.

This Subcommittee has long exercised outstanding leadership in seeing that American education remains responsive to the needs of our young people. Reading Is Fundamental is especially grateful to its members for the bipartisan support you have given the Inexpensive Book Program since its inception: We deeply appreciate the increased FY 1984 appropriation you provided, and the steps you took in 1981 to ensure that the IBDP would continue to serve America's children by inspiring them to read.

Congress created the IBDP in 1976, modeling it on the Reading Is Fundamental method, in response to the urgent reading problems of record numbers of American youngsters. RIF has operated that program, since its inception, under contract with the Department of Education.

Reading Is Fundamental has, since 1966, succeeded in generating a love of reading among even the most reluctant readers. The RIF method goes to the core of the literacy problem -- the child's attitude toward reading. By motivating young people to read and learn, RIF has been able dramatically to alter reading habits. In RIF projects across the country -- in all 50 states, the District of Columbia, as well as Puerto Rico, the Virgin Islands, and Guam -- children are succeeding at reading because they are given the chance to choose and keep books related to their interests.

READING IS FUNDAMENTAL REQUESTS AT LEAST $6.5 MILLION FOR FY 1985

The Administration has requested that $6.5 million be appropriated for the IBDP for FY 1985, the same amount appropriated for FY 1984.

Reading Is Fundamental respectfully requests that the Congress continue to fund the Inexpensive Book Distribution Program at least at the $6.5 million level.

With level funding we do expect some erosion of the program due to the continuing rise of book costs. Recent book industry figures show an average 12% to 14% annual rise in children's book prices. We are redoubling our efforts to ensure that present IBDP participants can continue in the program. But realistically we realize that with level funding services could be withdrawn from as many as 65,000 children now served.

Yet we recognize the particular economic constraints under which the nation and the Congress now operate. Under these circumstances we would appreciate your favorable consideration for continued funding at least at the $6.5 million level.

THE IBDP ADDRESSES A SERIOUS PROBLEM

We all know that the inability to read will bar a child from a productive future no matter what his potential. Without this ability, a child cannot hope to succeed in school or to compete in the job market.

Most children expect as a matter of course that they will become readers. When this hope is frustrated, some youngsters become apathetic toward books and learning, often with harmful consequences. It is estimated that 75 percent of juvenile delinquents have great difficulty in reading.

The problem of non-reading is approaching crisis proportions in the United States. This country's illiteracy rate is now three times that of the Soviet Union and five times greater than that of Cuba. Even recognizing the differences in methods of calculation, these figures are alarming.

Moreover, there is evidence that points to the fact that even among youngsters who know how to decipher words, book reading is becoming a lost art. A recent nationwide survey, commissioned by the Book Industry Study Group, found that book readership among Americans under the age of 21 has dropped sharply since 1978. In only five years' time, 12 percent of this age group has turned its back on books.

RIF/IBDP REACHES DIVERSE GROUPS, COMMUNITIES AT LOW COST

The RIF/IBDP program serves youngsters from all walks of life. Its benefits reach youngsters in inner city ghettos, in remote rural areas where bookstores and libraries are a rarity, and a not insignificant number of suburban youngsters. Even in middle-class America, many youngsters are not reading, nor are they able to write the English language. To complete the mosaic of RIF programs, there are more than 71,000 children of migrant workers presently served by RIF.

This cross section of our youth population is reached by more than 3,000 RIF projects, operating programs in 9,531 locations, throughout the United States and its offshore possessions.

RIF serves children not only in schools and libraries, but in a variety of other settings. There are RIF projects in hospitals, in day care facilities, in summer camps, boys clubs, Indian reservations, housing projects, and juvenile detention centers.

Since its founding in 1966, RIF has brought more than 58 million books into American homes. Of that number, some 52 million have been put into the hands of youngsters through the Inexpensive Book Distribution Program.

This past year RIF projects offered nearly 7 million books to more than 2 2 million youngsters.

And it did so at the incredibly low cost to the government of $2.64 per child.

PROGRAM ENLISTS PARENTS, WIDESPREAD COMMUNITY SUPPORT: A UNIQUE PARTNERSHIP; A LARGE RETURN ON A SMALL INVESTMENT

How has RIF been able to reach so many children in such diverse settings, and at such an incredibly low unit cost?

There are several reasons. First, the backbone of the RIF program is the local volunteer. Since the Inexpensive Book Distribution Program was created, more than 7.2 million hours have been donated to RIF by hundreds of thousands of volunteers from all walks of life -- farmers, teachers, lawyers, doctors, nurses, local merchants, corporate executives, union leaders, college students, and, most of all, parents.

Projects report that parents who would not think of volunteering for other community services are eager to work for RIF.

From Portland, Oregon, we hear from a RIF coordinator who suggests that "numerous parents offer to participate more actively in this program" because they have witnessed the many ways RIF awakens the child's latent interest in books and learning. She reports:

"At our last P.T.A. meeting one of our sixth-grade mothers commented that her child hated reading, but was staying up late at night to read her RIF book. Her conclusion was that we should keep the program."

A second reason RIF gets such good results is that it puts books into the home and involves parents in encouraging their children to read.

As long ago as 1966, when the first RIF pilot project was tested, RIF discovered just how desperately all parents want their children to read. Through the years we have received reports of parents enrolling in night school so they can better help their children with reading. By putting books into the hands of their children, we were able to inspire families to initiate their own reading motivation programs at home.

Recent confirmation of the wisdom of this approach comes from the Book Industry Study Group survey. According to the survey, "children who read a great deal were regularly read to by their parents."

Today, tens of thousands of parents are learning how to motivate their children to read through the RIF program. Of the 96,000 RIF volunteers, 37 percent are parents.

Finally, RIF is a unique partnership between the public and private sectors. RIF acts as a catalyst to draw out support from all members of the community -- from the town mayor to the school custodian. Today, some 5,500 businesses and organizations support local RIF programs, not only with matching funds but also with goods and services.

And there are other multipliers of the Federal help. One is the significant book discounts RIF has negotiated with 333 book suppliers. Most IBDP books are purchased at an average 40% discount.

There are special services to local projects for which RIF has obtained foundation and corporate underwriting. For example, at no cost to the government we have been able to launch a series of services to the parents of IBDP participants. These include a publication of tips on encouraging youngsters to read and a series of reading motivation workshops for parents in six major communities.

These are but a few ways in which, through RIF, the private sector joins the government in promoting literacy.

As a result of this unique partnership, for every $1 of Federal funds appropriated for the IBDP, Reading Is Fundamental and local projects bring in approximately $3 in private funds, goods and services.

THE PROGRAM SUCCEEDS IN ITS PURPOSE

RIF dramatically changes reading habits. Fresh evidence of this comes from a 1983 survey (conducted at no cost to the government) of more than 3,000 local RIF projects. An overwhelming 92 percent of respondents -- most of whom are teachers, reading specialists, school administrators, or other educators -- said that RIF has a "major" or "significant" effect in interesting children in reading, and two-thirds saw evidence of significant long-term effects.

Sixty-two percent noted that RIF provides an important aid in helping teachers motivate children to read.

Several other vital benefits were also reported, including: improvement of children's self-image; increased use of libraries; increased parental involvement in the schools; and contributions to improved reading achievement.

These survey results are confirmed by the reports RIF receives daily from projects (and children) across the country. For example:

From the Department of Youth and Child Services in Hartford, Connecticut, we hear:

> "RIF books are among the first many of these children have ever owned. Responses from both staff and students have made clear how highly valued the RIF program is in stimulating interest and pride in reading."

A reading teacher in North Callaway School District, Missouri, reports:

> "Our reading scores continue to 'soar'. . .Our RIF program continues to be a well-accepted example of how the local community, parents, teachers and school officials can work together to help children, and in so doing help themselves. We are grateful to Reading Is Fundamental, Inc. for this help they extend to the youth of our community."

And from a Reading Specialist in Cameron, Wisconsin:

> "Our RIF program has been the inspiration to a number of special reading activities. Results can also be noted in both improved attitudes toward reading (as measured on our annual reading attitudes survey) and higher reading test scores (as measured on

our yearly standardized tests). Reading Is Fundamental is frequently praised around our elementary school as 'a good federal program.'

We are thrilled in Cameron to be part of such an excellent program which motivates children to read and improves their skills, involves parents in the education of their children, promotes independent, lifelong reading and makes everyone involved more aware of the value of reading."

A COST-EFFECTIVE AVENUE TO READING

We thank the Committee for its past support. The Inexpensive Book Distribution Program is a remarkably cost-effective way to meet the urgent need of our young people for a program that inspires them to read.

As one Washington pundit observed: "Even the miracles of our electronic age have yet to produce anything that approaches the printed page, bound in a book, as a vehicle for conveying knowledge. It remains what it has been for centuries, the best way to provide a perspective on the past so that we can draw the right lessons for the future."

THE DEMAND FOR THE PROGRAM IS GREAT

Today RIF is putting books into the hands of one in 21 children of preschool through high school ages. There are millions of others who could benefit from this program, and communities recognize this. Each year we must turn away at least 1,000 funding requests for new programs.

The program is in demand because:

--communities are concerned about the serious reading problems in the nation;

--the IBDP is a low cost way to address those problems;

--the program succeeds in getting children to read;

--it offers a simple and effective means for local citizens to address the literacy problem.

REQUEST AT LEAST $6.5 MILLION FOR FY 85

The Inexpensive Book Distribution Program is a small, but wise investment in the nation's future.

We respectfully request the Congress to assure that the Inexpensive Book Distribution Program keeps America's young people reading by specifying an appropriation of at least $6.5 million for Fiscal 1985.

STATEMENT OF NORMAN DRAPER, SCHOOL BOARD MEMBER, ALEXANDRIA, VA

ACCOMPANIED BY AUGUST W. STEINHILBER, ASSOCIATE EXECUTIVE DIRECTOR, NATIONAL SCHOOL BOARDS ASSOCIATION

PREPARED STATEMENT

Senator WEICKER. The next witnesses will be Norman Draper, school board member from Alexandria, and August W. Steinhilber, NSBA, associate executive director.

Mr. DRAPER. Good morning, Mr. Chairman.

I am Norman Draper, local school board member from Alexandria, speaking for Ted Comstock, president of NSBA. Mr. Comstock was unavoidably detained in Oregon, a snow storm out west.

Here with me is Gus Steinhilber, who is NSBA's associate executive director.

[The statement follows:]

STATEMENTS OF THE NATIONAL SCHOOL BOARDS ASSOCIATION

INTRODUCTION

I am Ted J. Comstock, President of the National School Boards Association (NSBA). I am pleased that we can submit this testimony to the Senate Subcommittee on Labor, Health and Human Services, and Education. The National School Boards Association is the only major education organization representing school board members who govern the nation's public school districts. Throughout the nation, approximately 90,000 of these individuals are Association members. These people, in turn, are responsible for the education of more than 95 percent of the nation's public school children.

Currently marking its forty-fifth year of service, NSBA is a federation of state school board associations, with direct local school board affiliates, constituted to strengthen local lay control of education and to work for the improvement of education. Most of these school board members are elected public officials. Accordingly, they are politically accountable to their constituents for both education policy and fiscal management. As lay unsalaried individuals, school board members are in the rather unique position of being able to judge legislative programs purely from the standpoint of public education, without consideration to their personal professional interest.

The National School Boards Association is honored to present our views on the FY 1985 education appropriations before this subcommittee. I would like to commend the subcommittee and its chairman for being loyal friends of education during the past difficult budgetary years.

About three weeks ago, the Office of Management and Budget (OMB) published a very helpful document titled Major Themes and Additional Budget Details. In it they state that since FY 1980 "real reductions of 19% have been made in federal financing for elementary and secondary education". They announce the Administration's intention to reduce these programs by 21% next year with further to cuts through FY 1989 -- for a total reduction of 29% over 5 years. Although OMB points out that higher education has sustained only 3% in real cuts, higher education is characterized as a program "that has so far resisted contraction". Therefore, higher education is to be cut by 14% in real terms next year and, by FY 1989, to reach 33% in real cuts.

What we find so interesting about this admission is that in the February U.S. Department of Education FY 1985 Budget the intent to "level fund" education in FY 1985 is clearly stated. Last year, the Department of Education spent $16.2 billion on education which included $15.4 billion in FY 1984 in new authority plus $700 million in FY 1983 carryover. In contrast, the Administration request for next year was only $15.4 billion. Our point is that there have been heavy cuts in since 1980 which are continuing to be advocated for our education programs.

Just keeping up with the Consumer Price Index (CPI) since FY 1980 would bring education funding to $21 billion this year. However, the CPI is not a true indicator of what has actually happened to education costs because the "education breadbasket" is very different from the "household breadbasket" which comprises the Consumer Price Index. The National Institute for Education (NIE) has recently compiled an education indicator breadbasket called the School Price Index (SPI). The SPI, for example, demonstrates that 79% of school costs are salaries. To illustrate, a comparison of the two last quarters of 1983 and the CBO projected inflation for the first two quarters of 1984 shows an CPI inflation rate of 3.8%. School district costs for the same period (1983-84 school year) are projected to rise 6.8%. As you can see, the real cuts of 19% as reported by OMB last month for education are understated.

The National School Boards Association is keenly aware of the reasoning that is used for continuing the federal education reductions: the continuously growing federal deficit. School board members are responsible for obtaining tax dollars from the local community and state to run our public schools. We are expected to live within our means. Deficits are something we really worry about at the local level. As locally elected officials, we are deeply concerned about national deficits of $200-$300 billion a year.[1] We know that sooner or later everyone is going to pay the costs of the current budgetary policy. Education programs are not the cause of the deficits. Even if every education program plus all training programs were eliminated in the federal budget next year, the deficit reduction would only be $30.1 billion--hardly a dent.[2] In fact if every domestic program other than entitlements were eliminated from the federal budget in FY 1985, an amount which totals $168.6 billion, a federal deficit would still exist of $43 billion in FY 1985.[3]

Today, the National School Boards Association is asking for some modest education increases. Our request is part of a larger belief that our present budgetary course is a collision course with disaster. The present course will severely limit resources for national investments in education. Our national priorties must shift. When investments in the public institutions, such as our schools, that shape our society cannot be made, the nation is at risk. It is for that reason that we oppose the so-called "Rose Garden" budget -- which is on the floor of the Senate right now. We are not asking to return to the spending policies of the past. We are looking at the cost of not developing the human potential of our nation's children. In the name of this national resource, we urge you to maintain and increase the programs that will help local school districts provide the needed services for children.

We recognize that any change in the present policy must balance the need to assure the future productivity of our people with the military defense of the nation. We are not opposed to defense spending. However, programs that increase the human capability of our people are also national defense programs. They are our defense against inequality, ignorance, and disillusionment. In addition to re-examining our spending, a change in course must also include the achievement of fairness in revenue collections. In times such as these when spending is outstripping revenues by 25% a year, the solution is not to blame the entire problem on one area of appropriations for discretionary domestic programs.

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[1] Administration spending policies would have deficits in the following ranges according to the Congressional Budget Office: 1984 = 192.7 billion; 1985 = 206.7 billion; 1986 = 235 billion; 1987 = 269 billion; 1988 = 290.1 billion; 1989 = 316.4 billion. Spending for FY 1985 is projected to be just over a trillion dollars at 1,032.2 billion.

[2] Senate First Concurrent Resolution on the Budget, FY 1985, (Report 98-399) Function 500: Education, Training, Employment and Social Services, p.86.

[3] The non-defense discretionary programs which is the CBO baseline figure which includes 1984 actual funding levels for each program plus inflation.

Education, especially elementary and secondary education, has been among the programs most victimized in the last several years. 19% of real cuts since 1980 is a heavy price to pay in the name of deficit reduction when it is clear that the deficit is not being reduced and cannot be reduced under the current set of revenue and spending policies. The National School Boards Association is deeply concerned about the vital role that the federal government has played in helping local school districts move their programs toward the achievement of equity of services on one hand and toward excellence in programming on the other. The nation needs the federal government to continue to play that role.

If we do not raise our eyes and look beyond the 39 million children attending our public schools and speak to the larger picture, we are going to lose our key federal programs that provide:

- Services to our disadvantaged children and our handicapped children,

- The research that informs our decision making and,

- The programs that provide support and leadership in helping the schools address national problems. These programs include the teaching of limited English Speaking child, providing nutritional school meals to all children, giving every child the opportunity to learn a vocational skill, and providing up to date learning resources and training for our teachers and administrators.

Today, we are speaking first to the larger picture in order that we preserve the opportunity in the future to speak on behalf of the federal education programs that aid our local public schools. There is an important federal role in education the influence of which goes beyond the amount of money now provided. As local school board members, we ask that this important investment of the national government continue to be made in the interest of the public schools. We will do our best to use the resources at the local school district level to further excellence and equity on behalf of our public schools.

Requests for FY 1985 Appropriation Levels for Federal Programs

Attached to my testimony today is the NSBA program by program request. NSBA will be pleased to provide the subcommittee with further supporting materials. I will only highlight a few.

The funding level for Chapter I of the Educational Consolidation and Improvement Act (ECIA, Chapter I) will bring the program back to serving the same number of disadvantaged children as in 1980. As you know, this program has been shown to be successful as evidenced by what the public increasingly views as the bottom line of our schools: test scores.

We are supporting the Administration request of a $235 million increase for the education block grant (ECIA, Chapter II) to state departments of education which receive 20% of the funds and local school districts which receive the remainder. This program is new. There are some adjustments that need to be made. There are two things that could be done by this subcommittee that would be helpful. First, there should be a thorough Department of Education study of the program to determine how to refine the program in order to guarantee that services are aiding school districts. We suggest that the Secretary's discretionary funds be used to fund an NIE study of the program. Two, we ask that state administration costs be made consistent with the other major federal educational programs by being capped at 1%.

It is our hope that the vocational education program will be reauthorized this year. Tomorrow, the Labor and Human Resources Committee will mark up S. 2341 which NSBA endorses. If the bill includes the new provision to provide one-third of the funds by Federal formula to local educational agencies so they can provide the extra services for disadvantaged and handicapped vocational students, NSBA supports the authorizing committee's request for $900 million in FY 1985.

The NSBA request for the "Education for All Handicapped Children Act" (P.L. 94-142) is our largest request ($265 million). This amount would have the federal government meet 12% of the extra costs of educating handicapped children. The law authorizes the federal government to pay 40% of the extra costs associated with educating the handicapped. Our request level would return the program to the same percentage of funding that school districts received for each handicapped child in FY 1979. For our other recommendations, please note our attachment to this testimony.

Summary

The National School Boards Association is committed to work with you to make education a national priority. Please contact us if we can aid your work in any specific manner over the next year. Thank you for the privilege of appearing before you today.

The National School Boards Association Recommendations
for FY 1985 Appropriations
(in millions)

Elementary Secondary Programs	NSBA 1985 Recommendations	Actual 1984	Increase Over 1984
ECIA, I	$3,950.0	$3,488.0	+ $462.0
ECIA, II	686.0	451.0	+ 235.0
Bilingual	169.4	169.4	- 0 -
Impact Aid	700.0	585.0	+ 115.0
P.L. 94-142 (St. Grant)	1,334.5	1,068.85	+ 265.6
Vocational Education	900.0	738.6	+ 161.4
Asbestos Abatement	50.0	- 0 -	+ 50.0
ESAA	100.0	- 0 -	+ 100.0

1. This program must be reauthorized. The NSBA recommendation includes the $30 million in Alien Children funds provided in the 1984 Continuing Resolution on Appropriations. The program is now at its authorization cap as established in the 1981 Reconciliation procedures.

2. The NSBA request assumes new authorization. The present cap for the entire program is $585 million.

3. The NSBA request assumes the passage of S.2341 now under consideration on May 2, 1984 by the Senate Labor and Human Resources Committee.

4. This would fund the current Asbestos loan program under the jurisdiction of the Department of Education. If, however, the effort to transfer the program to EPA is successful this year, NSBA would prefer that funding be provided through EPA.

5. The NSBA request assumes the passage of S.1256 now awaiting floor action.

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Although OMB points out that higher education has sustained only 3 percent in real cuts, higher education is characterized as a program "that has so far resisted contraction."

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To illustrate, a comparison of the last two quarters of 1983 and the CBO projected inflation for the first two quarters of 1984 shows a CIP inflation rate of 3.8 percent. School district costs for the same period; that is, the 1983–84 school year, are projected to rise 6.8 percent.

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The National School Boards Association is keenly aware of the reasoning that is used for continuing the Federal education reductions: the continuously growing Federal deficit.

School board members are responsible for obtaining tax dollars from the local community and State to run our public schools. We are expected to live within our means. Deficits are something we really worry about at the local level.

As locally elected officials—in some cases appointed—we are deeply concerned about national deficits of $200 to $300 billion a year. We know that sooner or later everyone is going to pay the costs of the current budgetary policy.

Education programs are not the cause of the deficits. Even if every education program plus all training programs were eliminated in the Federal budget next year, the deficit reduction would only be $30.1 billion—hardly a dent.

In fact, if every domestic program other than entitlements were eliminated from the Federal budget in fiscal year 1985, an amount which totals $168.6 billion, a Federal deficit would still exist of $43 billion in fiscal year 1985.

Today, the National School Boards Association is asking for some modest education increases. Our request is part of a larger belief that our present budgetary cost is on a collision course with disaster.

The present cost will severely limit resources for national investments in education. Our national priorities must shift. When investments in the public institutions, such as our schools that shape our society, cannot be made, the Nation is truly at risk.

It is for that reason that we oppose the so-called Rose Garden budget which is on the floor of the Senate right now.

We are not asking to return to the spending policies of the past. We are looking at the cost of not developing the human potential of our Nation's children.

In the name of this national resource, we urge you to maintain and increase the programs that will help local school districts provide the needed services for our children.

We recognize that any change in the present policy must balance the need to assure the future productivity of our people with the military defense of the Nation. We are not opposed to defense spending. However, programs that increase the human capability of our people are also national defense programs. They are our defense against inequality, ignorance, and disillusionment.

In addition to reexamining our spending, a change in course must also include the achievement of fairness in revenue collections. In times such as these, when spending is outstripping revenues by 25 percent a year, the solution is not to blame the entire problem on one area of appropriations for discretionary domestic programs.

Education, especially elementary and secondary education, has been among the programs most victimized in the last several years.

Nineteen percent of real cuts since 1980 is a heavy price to pay in the name of deficit reduction when it is clear that the deficit is not being reduced and cannot be reduced under the current set of revenue and spending policies.

With respect to requests for fiscal year 1985 appropriation levels for Federal programs, attached to my testimony today is the NSBA program-by-program request.

NSBA will be pleased to provide the subcommittee with further supporting materials. Thank you for the privilege of appearing before you.

Senator WEICKER. Thank you very much, Mr. Draper. I concur with your comments and those of your association. We will certainly give great attention to them.

Mr. DRAPER. Thank you, Senator Weicker.

STATEMENT OF LINDA TARR-WHELAN, DIRECTOR OF GOVERNMENT REGULATIONS, NATIONAL EDUCATION ASSOCIATION

Senator WEICKER. The next witness is Linda Tarr-Whelan, National Education Association.

Ms. TARR-WHELAN. Good morning, Senator Weicker. I appreciate the opportunity to testify on behalf of the National Education Association. I am Linda Tarr-Whelan, the director of government regulations.

Our 1.7 million members of our association continue to be concerned about the matter of education funding.

I would like to start, however, by congratulating you personally and this committee for the leadership that you have shown in terms of dealing with the education issues.

Despite the kind of public rhetoric which exists from the administration, we find that their budget this year continues a pattern of insufficient funding for education. In fact, in 1981, when they came into office, the Federal Government provided 8.7 percent of the funding necessary—with State and local governments necessary for public education. That has slid now to 6.4 percent. That is the lowest level in 20 years.

Senator WEICKER. Is that both elementary and secondary, or just elementary?

Ms. TARR-WHELAN. Elementary and secondary, sir.

And so this is an enormous shortfall. In fact, using just CPI figures, taking the money that was appropriated in 1980 and taking a look at what that would be today, with an inflation factor built in, we find there is a $5.7 billion shortfall to provide the same services and same program that we could have provided in 1980, which is an enormous decrease in terms of real dollar spending.

We did some figuring to try and take a look at what that meant in some figures that would be more understandable to our members and to the public and find that that $5.7 billion is essentially equal to the total education budget of the six New England States.

So that we are talking about a really major shortfall, and obviously, as the Senator knows, a very great difference in looking at education funding, which has not been held harmless for inflation, versus defense funding, where we have first held harmless for inflation and then talked about very large increases each year.

We have the figures, Senator, for every State, and we did not submit them as part of our testimony because we wanted to restrict ourselves to the limit that had been suggested by the committee. But we would be happy to make those figures available to you.

Senator WEICKER. We would like to have that.

Ms. TARR-WHELAN. Thank you.

In Connecticut, for example, the shortfall is $37 million for programs, major elementary and secondary programs over this period of time. So it is a major difference.

We know—and this committee knows—that education is a big industry as well as being an investment in our future. In the 1983–84 school year, the States are spending approximately $119 billion on elementary and secondary education, and higher education expenditures will exceed $70 billion.

Education touches the lives of 40 million Americans aged 5 to 17, and in addition, the enrollments in our colleges, increasingly adults as well as children, total 12.4 million, and yet less than 2 cents of every budget dollar are spent in the field of education.

We would like to particularly commend this committee for dealing with the administration proposals over a series of years, and I think are especially disturbed this year to find Secretary Bell and the administration taking credit for what was quoted in the New York Times this week as calling for the highest education budget in history.

This budget submitted by the administration of $15.4 billion is essentially the same as Congress appropriated in 1984, fiscal 1984, and represents a very small cosmetic increase.

But we know that it was not the leadership of the administration that resulted in that budget being at the level of $15.4 billion last year, and find it a bit disingenous that they are taking credit for this at this particular stage of the game.

Senator WEICKER. As you indicated, as a matter of percentage, it is quite a bit down.

Ms. TARR-WHELAN. Exactly, quite a bit down.

Senator WEICKER. Of the total?

Ms. TARR-WHELAN. That is correct. And even this cosmetic increase of $20 million over the actual fiscal year 1984 appropriations could basically be called a token. I don't think that it is exactly a real investment on the part of the administration. Essentially, it is an increase in chapter II funding, but it came about because of many other programs being cut.

Education for the disadvantaged was cut, impact aid cut, bilingual education cut, education of the handicapped cut, vocational education, and then several of the higher education programs as well which we identify in our testimony itself.

In addition to this kind of set of cuts, it represents some unwarranted changes in very well-established programs, as they recommended block grants in vocational education, vouchers in title I, for example.

I would like to specifically mention just three programs in this short time remaining.

One is tuition tax credits, where we certainly appreciated your leadership and win on the floor of the Senate, but where we find the administration allocating $2.5 billion over 3 years again in their budget at the same time that they are not protecting public school students even for inflation and for previous cuts.

Second, we would like to call attention to the American Defense Education Act, which actually in legislation approaches some of the same sentiments you stated yourself earlier, that education is critical to our Nation's defense.

And this is a new educational initiative now with 230 Members of the House supporting and 27 Members of the Senate.

The last area I would like to call specific attention of yourself and the committee is the question of asbestos. There are really few public health issues which have as critical a need, and even the most conservative estimates show that 14,000 of our Nation's schools contain asbestos health hazards. Those schools have 3 million children enrolled in them and nearly 650,000 teachers and other school personnel.

We recognize that this is a very costly project to deal with, the question of asbestos, and we hope that there will be some lasting solutions on the financing of this.

We particularly would like to call your attention to assistance in terms of a $50 million supplemental appropriation for the current school year and $50 million for the future as quickly as possible.

Our organization has testified both in the House and in the Senate on various solutions, but we feel that it is critically important to appropriate funds for this program.

In summary, Senator, I don't believe the education community nor the NEA is asking for the Moon. We are asking to have the losses that we have had due to inflation and the cuts of this administration restored, and we ask for your continued leadership in this area.

Senator WEICKER. We will be working on it. Let me just address one thing which hasn't been raised before, the matter of the asbestos problem.

I would say probably a $50 million supplemental on the regular appropriations bill is entirely inadequate.

Now, as you know, last year I was against the use of the Huddleston amendment. He was in front of the issue, and I commend him for it. I think he was asking $50 million last year, and I said that until we had the report in hand, why, I really didn't feel we could address the matter properly in the event that $50 million was going to be just to find out what the problem was.

And I intend fully—and I have already discussed it with the staff and the committee—to come forth with a very realistic figure in this area and start right off on eliminating this hazard.

I think it is a sad commentary on the leadership of this Nation—State, local, and Federal—that we know there is a health problem with asbestos and we drag our heels on curing it for our children. You have got to be nuts to act in that way, and this is after the thing has been well-established. None of us are speculating. This has all been well-established.

So I think probably the $50 million figure, as far as the committee is concerned, is low.

Ms. TARR-WHELAN. We will be pleased to work with you on a realistic solution. You are correct that the figures show a need for $1.4 billion just for the hazards we know exist at the current time. We will be glad to work with you.

Senator WEICKER. Thank you very much.

Ms. TARR-WHELAN. Thank you, Senator.

[The statement follows:]

STATEMENT OF LINDA TARR-WHELAN

The 1.7 million members of the National Education Association are the teachers, faculty, and education support personnel in the public schools and institutions of higher education in every state of the union. The men and women who belong to this organization continue to be deeply concerned about the quality of education provided to students across the country and the continued efforts by the Reagan Administration to diminish support by the federal partner to this enterprise. While the Administration talks about excellence, it continues to press for cuts in education funding and promote huge and unwarranted increases in defense spending. Despite Congressional efforts, it has cut the federal share of elementary and secondary education costs from eight percent in Fiscal 1981 to 6.4 percent in Fiscal 1984. The effect of this reduction on public education has been catastrophic.

We appeal to the Members of this Committee to redress such a shortsighted education funding policy which lessens our ability to promote individual opportunity, economic growth, and productivity, and dismally fails to invest in our youth to recapture our strength in a competitive world market. The American people are demanding improved education offerings, and the Congress is responding with ever-increasing interest in programs to assist local schools in strengthening instruction in such critical areas as math, science, and computer technology. So great is this interest that 27 Members of the Senate and 230 Members--a clear majority--of the House of Representatives have cosponsored the American Defense Education Act--a forward-looking, broad-based approach to fostering excellence in our educational system.

The education appropriations proposals we bring you today would restore the level of services that existed in 1980, taking into account the real cuts that have resulted from reduced appropriations and the impact of inflation on school dollars. If these proposals are accepted, education would show zero net growth for the period, but would be held harmless for inflation. The attached charts show the effect of such appropriations levels on major programs.

Education in the federal budget

Education is a big industry by any measure. In the 1983-84 school year, the states are spending an estimated $119 billion on elementary and secondary education, and higher education expenditures will exceed $70 billion. Education touches the lives of 40 million Americans aged 5 to 17, and enrollments in our colleges and universities total 12.4 million, according to studies by the National Center for Education Statistics. And yet, less than two cents of the federal budget dollar are expended on direct support of education. The nation loses critical leadership potential when large numbers of citizens are denied access to the education that could be provided.

NEA is convinced that the funding crisis in education is exacerbated by the Reagan policies of big defense, big tax cuts, and big deficits. Therefore, in order to make substantial increases in education funding possible, we are proposing that the indexing of the personal income tax and excessive tax breaks for businesses and corporations be repealed. We must restore the capability of the federal government to support critical domestic programs. It is hardly surprising that the Congressional Budget Office looks to a deficit of nearly $200 billion in the year ahead when the tax legislation of 1981 reduced the federal revenue base by $750 billion. Programs for education and basic human needs must be restored to increase the national investment in human capital.

The Administration's education budget proposal for Fiscal 1985 is $15.4 billion--essentially the same amount Congress has appropriated for Fiscal 1984. Given any increase in CPI, such a request is negative. In terms of current services, the budget request is fully $5.7 billion below the amount needed to restore prevailing 1980 levels.

The chart following this statement demonstrates the impact of inflation on federally funded education programs. The amounts shown under the column headed "FY80-85 Adjusted for Inflation" represent our specific program requests.

The table displays vividly the discrepancy between the Reagan request and the real impact of inflation on the education budget over a range of programs including the principal elementary and secondary and higher education components. There is a cosmetic increase of some $20 million over the actual Fiscal 1984 appropriations. This sum--not even enough to be called a token--is primarily in the state block grant and college work-study programs. Where did the money come from for this cosmetic increase? Everything else is cut: education of the disadvantaged; impact aid; bilingual education; education of the handicapped; vocational education; Pell grants; the TRIO programs; higher education construction; teacher loan cancellations; and graduate support.

Worse still, the Reagan budget again calls for the elimination of programs that have proven their value in expanding educational opportunity. Included in this list: Women's Educational Equity; Follow Through; Civil Rights Title IV desegregation assistance; Ellender fellowships; asbestos control; vocational state planning and advisory councils; the National Institute of Handicapped Research and the National Council on the Handicapped; Supplementary Opportunity Grants; State Student Incentive Grants; special endowments; law and education programs; and international education.

In addition to cuts and elimination of programs, the Administration requests unwarranted changes in well-established programs of great importance.

Vocational Block Grants

Under the Administration's proposal, the current Vocational Education Act would be replaced by a severely curtailed state block grant program. This approach would undermine almost 70 years of federal commitment to vocational education. The House of Representatives has already rejected this plan, passing instead legislation--supported by NEA--to extend and expand the existing Vocational Education Act, and a similar bill is pending in the Senate.

Vouchers

The Administration again proposes to substitute a successful program for equity with a right-wing rhetoric program--vouchers in Chapter 1 programs for the disadvantaged. There is an apparent choice for parents between public and private schools, but the voucher program is doomed to failure because it makes it impossible for both the public and private schools to develop operating budgets and long-range programs. It should be rejected.

Tuition Tax Credits

Despite overwhelming rejection by the Senate of its 1983 proposal, the Administration is again calling for enactment of tuition tax credits. NEA is unalterably opposed to such legislation as unsound fiscal policy, unsound educational policy, and unsound public policy. If the budget is insufficient to maintain inflation-proof funding with zero growth for needed federal education programs for the 90 percent of students who attend public schools, how can the President ask for further depletion of the U.S. Treasury for the ten percent of students who attend private schools?

American Defense Education Act

As a response to urgent needs of the '80s, NEA calls for passage and full funding of the American Defense Education Act (S 553, HR 881). This measure goes beyond improvements in math and science instruction, offering local school districts substantial federal assistance for locally determined options for excellence and for meeting emerging needs in computer technology training, foreign languages, and guidance and counseling. The higher education community would also be involved in planning and implementing teacher training and re-training programs, as well as a variety of research and demonstration programs to give wide visibility to forward-looking and innovative practices.

The Administration has repeated its call for $50 million to improve math and science instruction. Such a request is a mere token. The House has already passed an emergency $425 million bill, HR 1310, and the Senate is considering a similar measure, S 1285. NEA supports these bills, which provide a building block for the American Defense Education Act.

Asbestos a Critical Problem

Few public health issues have as critical a need for a swift and comprehensive response as those caused by asbestos. And nowhere is that need more pressing than in our schools. Even conservative estimates show that roughly 14,000 of the nation's schools contain asbestos health hazards. In addition, asbestos hazards in schools with no abatement program affect more than three million children and nearly 650,000 teachers and other school personnel.

These statistics showing the degree of exposure, as well as the fact that our nation's children are more likely to develop cancer or other life-threatening diseases than are adults when exposed to asbestos fibers, point to the need for immediate action to rid our schools of this public health menace.

A problem of this magnitude requires a strong federal commitment for its resolution. Yet, since coming to office, the Reagan Administration has consistently failed to call for any funding for the Asbestos School Hazard Detection and Control Act of 1980. The Administration's inaction threatens the hopes and health of countless school children and employees.

The NEA is determined to do whatever it takes to find a lasting solution to this problem. In the final analysis, it means seeking sufficient funding over time - some $1.4 billion as one Education Department estimate puts it - to properly rid our schools of this terrible health threat.

To get action going on this issue, NEA is asking Congress to pass a $50 million supplemental appropriation for the current school year to provide resources under pending bills, as well as $50 million under the existing law as quickly as possible to help our schools meet the asbestos problem.

NEA also believes that those responsible for creating these public health problems have a responsibility in their abatement. Just as Congress mandated that those companies releasing toxic wastes into the environment to help clean it up through the EPA superfund, we urge consideration of a similar approach in ridding our schools of asbestos.

Conclusion

NEA believes the federal government must fully participate in the drive for excellence. This means much more financial assistance than is currently available. It means, as a beginning, the restoration of programs to levels equivalent to those of 1980. We are committed to working with you as we build upon this base to provide the necessary resources for education and our future.

SELECTED FEDERAL EDUCATION PROGRAMS--BUDGET, APPROPRIATIONS, AND INFLATION

PROGRAM	Appropriation FY80 (School Year '80-81	Budget Resolution FY1984	Reagan Budget Request FY1985	FY80-FY85 Adjusted for Inflation [1]	Difference Reagan Budget v. Inflation Adjustment
Education Department	14,339,100,000	16,100,000,000	15,484,949,000	21,109,080,000[5]	-5,624,131,000
ESEA Title I (ECIA Chapter 1 basic gr.)	3,215,600,000	3,830,000,000	3,480,000,000	4,714,279,000	-1,234,279,000
State Block Grant (ECIA Chapter 2)	731,896,000	606,000,000	728,879,000	1,073,007,000	- 344,128,000
Impact Aid (Not forward funded)	825,000,000	505,000,000	506,630,000	1,209,503,000	- 702,873,000
Education for the Handicapped	1,049,000,000	1,226,000,000	1,214,445,000	1,537,902,000	- 323,457,000
Vocational Education	779,241,000	825,000,000	731,314,000	1,142,418,000	- 411,104,000
Adult Education	122,600,000	112,000,000	100,000,000	179,731,600	- 79,731,000
Bilingual Education	191,463,000	140,000,000	139,245,000	280,697,000	- 141,452,000
Math/Science		325,000,000	50,000,000	400,000,000[2]	
ADEA				2,000,000,000[3]	
GSL	1,609,344,000	2,389,000,000	2,840,677,000	3,141,800,000[4]	- 301,123,000
Pell Grants	2,441,328,000	3,009,000,000	2,800,000,000	3,578,986,800	- 778,986,000
SEOG	370,000,000		-0-	542.420.000	- 542,420,000
Work Study	550,000,000	550,000,000	850,000,000	765,550,000	+ 84,450,000

Footnotes 1. Adjusted for Urban CPI 1980-1985 (Oct.1 through Sept. 30) 2. $400,000,000 House-passed Math/Science initiative 3. $2.0 billion ADEA initiative 4. CBO preliminary estimate of current policy level

5. NEA Target Figure for Education FY '85

1980 Appropriation plus inflation:	$ 21.1 billion
House-passed Math/Science	.4 billion
ADEA initiative	2.0 billion
TOTAL........................	$ 23.5 billion

STATEMENT OF ROGER J. BOYD, DIRECTOR, NAVAJO NATION, WASHINGTON OFFICE

PREPARED STATEMENT

Senator WEICKER. The next witness is Roger Boyd, director of the Navajo Nation.

Mr. BOYD. Senator, my name is Roger Boyd. I am the director of the Navajo Nation, Washington office, and I am here today speaking to you on behalf of the Navajo Nation regarding the budget of the Department of Education for fiscal year 1985, particularly the programs within the budget which affect our Navajo children and young people.

We have written testimony for the subcommittee, and I request that it be included in the official record of the hearing.

We have also prepared supplemental papers on individual programs within the budget concerning more in-depth coverage. We also hope that this may be included in the record.

[The statement follows:]

STATEMENT OF ROGER J. BOYD

Since 1868, when the Navajo Nation signed a treaty with the United States, we have looked to the government of the United States to be our trustee in meeting the educational needs of the Navajo people. In recent years, when major cuts were proposed for Impact Aid and the Title IV programs was targeted for elimination, we have been concerned that the United States might be abandoning its commitment to provide for the education of our people. We are pleased to see this year that our basic operational and supplemental programs within the Department of Education are relatively intact. Nevertheless, we still have specific concerns about the inadequacy of funds for Indian education.

School Construction Under P.L. 81-815

We are concerned that the Department of Education apparently fails to recognize the continuing need of construction for Impacted public school districts on the Navajo Reservation. No new funds are sought for public school construction under P.L. 81-815. Yet there is a critical need on the Navajo Reservation for new construction.

The Chinle School District is wholly within the boundaries of the Navajo Reservation in Northeastern Arizona. It covers one of the largest geographical areas of any school district in the continental United States. It has a student body of over 3,400. Chinle High School, was built in 1963 with a capacity to accomodate 315 students. This year, 970 students enrolled. Chinle Junior High School was constructed in 1968 with a capacity of 420 and now has enrolled 513 students. Chinle Elementary School is "at capacity," but must rely on temporary portable structures for supplemental programs such as Chapter 1 and special education. Chinle Primary School houses 732 primary and kindergarten students in facilities leased from the BIA, which have been condemned as unsafe due to shifting ground, boiler and gas line hazards and structural instability. The 732 students in that school will be without any facilities at all next year unless emergency measures are taken at once.

We could cite other examples of inadequate structures and unserved or underserved communities on the Navajo Reservation, but the conditions of the Chinle School District illustrate our point clearly. There is an urgent need for public school construction funds under P.L. 81-815. We urge Congress to fund this category, particularly to provide funds to relieve the critical facilities conditions in the Chinle School District and to provide such interim assistance as is necessary to tide the district over until adequate facilities can be constructed. To accomodate all children in the district, the Navajo Tribe estimates that approximately $21 million is needed to construct a new high school. $12 million is needed to construct a new primary school at Chinle or to convert the existing high school to a primary school (provided that a new high school is constructed). Given the Department of Education's policy regarding ranking and the policy to seek new construction only for the "unhoused" portion of a student body, we do not recommend an earmarked appropriation for the construction of a completed high school for the Chinle School District.

Impact Aid Under P.L. 81-874

We are concerns about the 25% add ons to the base Impact Aid grant for Indian students, particularly in states with equalization laws. The 25% add on is meant to meet the additional costs of educating Indian students residing on the reservations. Yet, in states with "approved" equalization plans, the additional funds are "equalized" throughout the state. Currently the State of Arizona is taking steps to remedy this situation, and we commend them on their efforts. We believe, however, that the protection of the 25% set aside from state equalization should be a feature of the Federal law and therefore applicable to all states with equalization laws. We recommend specific appropriations language expressing the intent of Congress that these additional funds are not to be included as local revenues for equalization purposes but shall continue to be available to local Indian school districts without regard to state equalization laws.

Title IV -- Indian Education Act

We feel that Title IV funding should be restored to at least its FY 1982 level of $77,852,000 million to restore services which have been lost due to prior cuts in the program. This program is very effective with both school officials and Indian parents because, unlike most Indian education programs, it is forward funded. It has been subject to excessive cuts in prior fiscal years. These cuts are still reflected in the current appropriation request.

One distressing aspect of the proposed Title IV appropriation is the reduction in the Adult Education component of Title IV. A reduction of $202,000 has been recommended in the BIA's Adult Education budget. We question the justification for major cuts in Adult Indian Education programs and the BIA's justification for prioritizing economic development for tribes. Adult education is a necessary component of economic development. We request that these funds be restored.

Funding Under Title VII -- The Bilingual Education Act

We are concerned that no increase in funds is sought for Title VII, the Bilingual Education Program, even though the Department of Education anticipates an increase in the number of students and programs served. Navajo bilingual education programs prepare students for success in English by making them successful in their own Navajo language. We would recommend increased funding for this program.

Changes Proposed in the Vocational Education Act

The Vocational Education Act, which provides a one percent setaside for In Vocational Education meets only a small portion of the Vocational Education needs of Indian people. We recommend increased funding for this Act. We also urge this Subcommittee to work with the Appropriations Subcommittee on Interior and Related Agencies to ensure that the BIA is required to match the one percent of funds set aside for Indian Vocational Education, and that additional funds are appropriated for that purpose.

Impact of Reductions in P.L. 94-142 Personnel Development Funds

We are very concerned with the proposed reduction in funding for personnel training under the Department of Education's special education program. There is a critical need on the Navajo Reservation for Navajo special education professionals. We need teachers with post graduate training and related specialists such as educational psychologists, speech pathologists, occupational therapists, physical therapists and the like.

The Navajo Tribe is currently operating a program under the personnel development component of the Department of Education's special education program to train special education teachers to the masters level. It is estimated that over a three year period the program will train 30 to 40 teachers, with approximately 15 of these receiving a masters degree by the end of the program. Navajo Community College has a related program training speech pathologists and educational psychologists. That program will serve 15 to 20 students and produce 5 to 10 graduates by the end of the program.

The Navajo special education personnel training programs need to continue and expand. The present number of projected graduates does not meet the current demand for trained professionals. As of this year there is a need for 51 additional graduate professionals in special education related fields. We request that this Committee assist us by restoring the funds necessary for these professional training programs to continue.

Concerns with Funding for the Navajo Vocational Rehabilitation Program

The Navajo Vocational Rehabilitation Program is funded under Section 130 of the Vocational Rehabilitation Act. This section is essentially designed to fund "experimental" tribally-operated programs of vocational rehabilitation. The Navajo Vocational Rehabilitation Program has been operating since 1978. It is no longer an "experiment," but it continues to receive funding under Section 130. Each year the Navajo Vocational Rehabilitation Program has had to make certain that the appropriation under section 130 specifies that the $650,000 appropriated for Section 103 (the amount has not increased) is designated for the Navajo program.

For FY '84 there was an increase to allow for inflationary costs, however, the Department of Education has now informed the Navajo Vocational Rehabilitation Program that it will put Section 130 funds appropriated for FY '84 out for competitive bid. This would contradict the intent of Congress and would result in a serious reduction of services to Navajo vocational rehabilitation clients.

We request that this Committee assist the Navajo Tribe to receive the funds appropriated for FY '84 and to ensure the provision of adequate earmarked funds for FY 85.

Concerns with Forward Funding

We are particularly concerned about the financial problems of Navajo Nation schools caused by the late arrival of federal funds. Impact Aid forms a basic source of funds for reservation public schools. The amount of Impact Aid funds available for a particular school year, however, may not be known until January or later. This creates financial confusion and hardship for all of our schools and hinders effective planning. We request that Congress plan for a staged process of forward funding for Indian education programs, starting with either Impact Aid or the Indian Student Equalization Formula, and forward funding another program the next year, until all Indian education programs are forward funded.

Concern with Excellence

This year the U.S. Department of Education is concerned with excellence—so is the Navajo Nation. We want educational excellence for our children and young people. We want our children to have an education equal to any available in this country. We want our young people to have opportunities for college, for vocational education, for graduate training. We know that we cannot develop or even survive as a nation without these educational opportunities.

We want to encourage excellence by encouraging local control and local involvement of our Navajo People in education. We need to strengthen our parent committees, not weaken them. We need to educate our parents as well as our young people.

Quality education requires modern facilities, equipped to provide the latest technological education such as computer science training. Excellence costs money, but such an investment pays for itself by developing productive, self-reliant young adults. We request that this Committee do everything necessary to ensure the provision of adequate Indian education funds so that the Navajo People may receive the quality of education which they both need and deserve.

NAVAJO VOCATIONAL REHABILITATION PROGRAM
NEED FOR MORE STABLE FUNDING

The Navajo Vocational Rehabilitation Program has been receiving funding under Title I, Part D, Section 130 of the Rehabilitation Act, as amended, since October of 1979. The initial grant was for $400,000. This amount was increased to $650,000 late in Fiscal Year 1981. It continues in the amount of $650,000 per Fiscal Year at the present time. The program has received no increases or inflation adjustments. In fact, in fiscal year 1983, the program actually received a reduction of $26,000 in federal funds. Funding was restored to the Fiscal Year 1981 level in Fiscal Year 1984.

The Navajo Vocational Rehabilitation Program provides or secures a full range of vocational rehabilitation services to Navajo clients living within the exterior boundaries of the Navajo reservation. The program handles an average annual caseload of 450, with approximately 50 successful completed rehabilitations (successful placement into employment) within each program year. The program deals with clients with the full range of disabilities and with a range of English language skills from totally Navajo speaking to primarily

English speaking. There are no comparable state services aimed at this geographical, cultural and linguistic population.

Section 130 was developed to encourage the start of vocational rehabilitation programs operated by Indian tribes for tribal members. As written, the section appears to serve more adequately the undertaking of new programs rather than the maintenance of existing programs. Section 130 programs are expected to function like state-operated programs. However, they do not have many of the advantages of state-operated programs. Section 130 programs do not qualify for all the kinds of supplemental funding which state programs qualify for (for example client assistance projects, in-service training projects). Their funding is by special grant, not by formula. There is no base under the funding of Section 130 projects. As stated above, there has not been an increase in the funding for the Navajo program since 1981. During the same time, funding for state programs has been increased.

One distressing aspect of Section 130 funding, that in order to assure continuity of funding, the Navajo Vocational Rehabilitation Program must each year seek language in the appropriation bill which earmarks funds for the Navajo Program. Otherwise, the funds in Section 130 will be let out and bid upon competitively by all interested Indian Tribes. Assuring that the needed language is included in the bill, and is not inadvertently overlooked in any subsequent amendments is a time-consuming and difficult business for the Navajo Vocational Rehabilitation Program to undertake from a distance of 2500 miles. It requires a good deal of the administrator's time each year.

In addition, slip-ups in language can occur. In the past session of Congress, the 1984 appropriations bill (which provides vocational rehabilitation funds for the 1985 fiscal year) did not, within the bill itself contain language earmarking funds for the Navajo Vocational Rehabilitation Program. Navajo Vocational Rehabilitation Program became aware of this ommission and attempted to secure bill language. Instead, in the conference report made on the appropriation for the Department of Education, Senator Weicker, Chairman of the

Senate Appropriations Subcommittee on Labor, Health, Human Services and Education, reported to Congress:

> Mr. President, the Labor, Health and Human Services Education Appropriations conference adopted the Senate position on funding for the Vocational Rehabilitation Act. It was and remains the intent of the Senate that of the $37,600,000 appropriated for service projects, at least $650,000 continue to be available to the Navajo Nation - as it was in Fiscal Year 1982 and Fiscal Year 1983 for a vocational rehabilitation grant. The special circumstances of disabled Navajos living on reservation require this continuing Federal commitment and it is expected that the funds awarded in this grant in fiscal year 1984 be increased at least to account for inflation since the initial grant award in fiscal year 1982. Congressional Record, October 20, 1983, p. S14308.

Despite this clear statement of Congressional intent, the Department of Education has issued a Request for Proposals (RFP) for the full Section 130 appropriation, and is requiring the Navajo Vocational Rehabilitation Program to compete with other programs for the funds. According to the RFP, the maximum amount of a grant will be $650,000. Therefore, under even the most favorable circumstances, the Navajo program will not receive the increase to account for inflation envisioned by the conferees. Indeed, the program risks reduced funding.

An immediate need of the Navajo Vocational Rehabilitation Program is the implementation of the reported intent of the conferees in regard to the funding for the program at the amount of $650,000 plus an increase to account for inflation since 1982. The Navajo Vocational Rehabilitation Program seeks Congressional guidance to the Department of Education regarding the intent of Congress in this matter.

A more long-range need of the Navajo Vocational Rehabilitation Program is a more secure funding base. For the coming year, at the least, there should be specific language in the final appropriation bill earmarking funds for the

Navajo Vocational Rehabilitation Program which protect the base amount of $650,000, and increase the grant to take into account inflation since 1982. Beyond this immediate need, however, there is a need to provide in the Vocational Rehabilitation Act for the continued existence of the Navajo program, for its funding to rise proportionally to the increase in funding for state and trust territory programs, and for its eligibility for supplemental programs which are currently available only to state programs. These changes are necessary to reflect the status of the Navajo program as an established vocational rehabilitation program with an ongoing caseload.

The Navajo Tribe encourages the Subcommittee to work with other appropriate committees of Congress, to secure the necessary short-term relief required by the Navajo Vocational Rehabilitation Program.

NEED FOR CONTINUED FUNDING OF P. L. 81-815 IMPACT AID FOR PUBLIC SCHOOL CONSTRUCTION

Public School Districts located on Indian Reservations face serious problems in regard to the improvement and replacement of their facilities. The Districts, on the whole, do not possess a tax base, or have a very limited tax base because reservation land is federal trust land and cannot be taxed. The absence or limitation of tax base is the reason for the Impact Aid laws, P.L. 81-874, which provides funds for maintenance and operations, and P.L. 81-815, which provides funds for construction.

It is almost impossible for reservation public school districts to support new construction. New construction is paid for in most school districts by a voter-approved bond issue. But the bonding capacity of most reservation public school districts is all but nonexistent. These districts are almost entirely dependent upon P.L. 81-815 to meet their construction needs. If a moment's reflection is given to the number of public school districts serving Indian reservations across the country, it will be clear that in any given year there is likely to be more than one district with a serious construction need. Even well-constructed buildings deteriorate over time and require replacement or major renovation.

Yet, the U.S. Department of Education reports no pressing school construction needs on Indian reservations and seeks no funds for P.L. 81-815 construction for Fiscal Year 1985. The department assures Congress that, because of the additional funds for public school construction contained in the Jobs Bill last year, reservation public school construction is ahead of schedule. These assurances ring hollow in those districts with totally inadequate physical plants. Construction may be ahead of the Department of Education's schedule but it is not ahead of the schedule of deterioration of existing facilities.

One of the most critical construction needs on the Navajo Reservation exists in the Chinle Public School District. This district is one of the largest in the country, consisting of approximately 4500 square miles. Before the district was split last year, to form the present Chinle Public School District and the Red Mesa Public School District, the district contained over 7,200 square miles. Even at its current size, the district is larger than the the combined area of Deleware and Rhode Island. The majority of the roads in the Chinle Public School District are of unimproved clay dirt. The District enrolls approximately 3500 students, an estimated 61% of the potential students. Inaccessibility and absenteeism further reduce the ADM to approximately 3140.

If the unserved population of students were to be sought out and encouraged into school, Chinle would face an even greater crisis because the intended capacity of its facilities is only 1623 students. In other words, Chinle Public School District is physically incapable of adequately serving the students already attending, and totally lacks the capacity to serve its out-of-school population. There is no excess capacity in the avaiable BIA school system to serve these students either.

Educators have expressed great concern about the problem of Indian students dropping out of school. The Navajo Tribe is vitally concerned with this loss of human resources. But, with such inadequate, outdated facilities, where would the children go if they were brought back into the school system?!

The two most critical situations in the Chinle Public School system exists in a facility constructed in 1963 for 315 students. This year it enrolled 970 students, with an ADM of 854. The facility is totally inadequate. Housing for the educational programs consists of the original complex and a tangle of temporary structures, scattered over a "campus" which covers over half a mile of dirt, dust and mud (depending on the season and weather conditions). Many of the temporary structures were designed for a mild climate and are totally inadequate for the severe winters which can occur at the Chinle elevation (approximately a mile high). The structures are old. Their condition has deteriorated. They are expensive and difficult to maintain. They are not consistent with fire and safety standards. As stated above, they could not survive an improvement in the drop-out rate. They cannot survive much more even with the students they have.

The primary school is "housed" (for want of a better word) in buildings secured from the BIA on a temporary use permit which have already been condemned as unsafe. At one point this year it appeared that structural damage to the facility caused by ground shifting would require the immediate evacuation of the facility. This would have left 732 primary and kindergarten students totally unhoused. At this point, some emergency funds have been made available from the BIA to shore up the buildings until the end of the school year. However, the facility will have to be abandoned by the next school year. Chinle Public School District is currently seeking temporary structures to house the entire primary school next year, and funding to pay for the structures.

Chinle public school district has been seeking construction funds for quite some time to alleviate its critical shortage of adequate facilities. The proposed Chinle High School, with an estimated cost of $21,000,000, is rated third in the Department of Education priority ratings. This means that even the Department of Education agrees that there are two districts at least as needy as Chinle. Yet, the department claims that its program is ahead of schedule. Chinle officials have been told that a proposal for a new primary school would be rated eleventh in priority by the Department of Education. Therefore, Chinle officials have proposed a $3.5 million renovation and addition to the existing main high school facility to convert it into a primary school when the proposed high school is built. This is really a very economical plan, given the magnitude of the need.

There are additional construction needs in the Chinle Public School District. The Junior High School has an enrollment almost 100 students over capacity. However, its supplemental programs must be housed in temporary structures. The elementary school at Many Farms has an enrollement of about 150 students over capacity. There are additional construction needs in many of the public school districts on the Navajo Reservation and other Indian reservations. How, then, can the Department of Education be ahead of schedule on construction?

The problems of the Chinle Public School district highlight the needs of communities on the reservation with inadequate facilities. There are also communities that are not served by on-reservation facilities. These communities are seeking local schools for their children. It is unlikely that their needs can be met in the foreseeable future when the Department of Education is not even maintaining the facilities needs of existing programs.

As an example, the Indian Wells Chapter, located in the south central part of the Navajo Reservation, has been seeking support for the construction of a high school in the Chapter. The Chapter has obtained a withdrawal of tribal land for the purposes of constructing the high school. The Chapter estimates that between 400 and 500 children of high school age reside in the Chapter and surrounding chapters and attend school off the reservation in Holbrook, Winslow, Snowflake, and Flagstaff. Many of these students must board in dormitories located in these off-reservation communities. The day students face an average daily round trip bus ride of 90 miles. These figures do not even account for the numbers of students who, faced with these alternatives for an education, simply drop out and are lost from the attendence statistics.

How is a community like Indian Wells Chapter ever to have its needs considered in the context of current Department of Education policies? How is it possible to make a good faith effort to improve the Indian student drop-out rate, when both Department of Education and BIA school construction plans rely upon the current drop-outs remaining out of school? The Navajo Tribe urges the Subcommittee, in concert with the other appropriate committees of Congress to assure that public school constrution funding under P.L. 81-815 continues to be provided and is increased to take account of the construction backlog which continues to exist, even after the Jobs Bill appropriation of last year. The Navajo Tribe also particularly seeks special consideration for the needs of the Chinle Public School District since the facilities needs of that district are so acute.

Mr. BOYD. Senator, I know your time is limited, and I will confine my remarks to two programs which are most needed on the reservation.

These are the Impact Aid Construction Program under Public Law 81-815 and the Indian vocational rehabilitation component of the Vocational Rehabilitation Program.

As described in our written testimony, there is a critical need for public school construction on Indian reservations, and the claim of the Department of Education that it is ahead of schedule is not simply credible.

On the Navajo Nation, the Chinle Public School District faces a desperate situation. The high school is not adequate for the number of students being served. The high school was originally built to serve 330 students. The present student body is 891 and is housed in the original building and scattered and portable and temporary structures on the site. The structure is old, inadequate, and unsafe, and consequently, overseeing the entire complex is just an administrative nightmare.

Chinle Primary School is in a building leased from the BIA that is falling apart because of the shifting ground in that area, and last year the school was just about totally abandoned, and consequently, we had to move in temporary structures to house children in that facility.

Senator WEICKER. Where are these located?

Mr. BOYD. This is located in the middle of the reservation in Chinle, which is in the Arizona portion of the reservation.

Chinle has been trying to get funding for a new school, and if the high school is constructed, Chinle then would propose to renovate the existing high school and use that for the primary school. The estimated cost for a new high school is estimated at $21 million. The renovation would be $3.5 million.

The Navajo Vocational Rehabilitation Program is also in need of special consideration of this subcommittee. As you know, the program has been funded under section 130 of title I, the Vocational Rehabilitation Act.

This section provides funding for programs operated by Indian tribes, and at this time the Navajo Tribe is the only Indian tribe operating under section 130, and the program has been in existence since 1978. The Navajo Tribe has been receiving funds since 1981.

We believe it should be considered and treated as an established program. It serves handicapped Navajo clients who are not being served by State programs. It provides the full range of vocational rehabilitation services to a unique geographical area and certainly services the population.

Each year we must seek to have the program specifically mentioned in legislation to assure that funding appropriations under section 130 will be expended for the program, or even exist for the program.

This past year the program was mentioned in the report of this committee but not in the bill itself. As a result, the Navajo Tribe has been compelled to submit to competitive bidding to continue the program.

At this point it is still uncertain if the Navajo program will receive any increase over its past appropriation. Today, the program has not received any increase since it began, and I think that was a base of $650,000.

Fortunately, and with all due respect—and we do appreciate—I think it was in the Congressional Record—that you had submitted your concerns about the lack of inflationary cost in the $650,000 grant. Our costs are constantly going up, as you know, and it really seems like the budget process is not looking at that and not taking into consideration the inflationary cost of what we have to go through on the reservation.

At this point no State or trust territory is required to submit to competitive bidding to secure its vocational rehabilitation funds. The Navajo Vocational Rehabilitation Program, as far as we know, is the only established program which faces such reoccurring uncertainty.

We ask for an earmarked appropriation for the Navajo program because we believe that it is the only way our program can be treated fairly without an actual revision of the current vocational rehabilitation law.

We simply ask to be recognized as an established program and treated accordingly.

In addition, we would like to ask the subcommittee to provide for an increase in the program funds comparable to the States, which have enjoyed an increase over the same time period. And if you take the $650,000 figure, I think the increase, given inflation, would be about $65,000, which would bring it up to a total of about $715,000.

In closing, I just want to mention that the Department of Education is concerned with excellence. So is the Navajo Nation. We want education excellence for our children and young people. We want our children to have an education equal to any available in this country.

We want our young people to have opportunities for college, for vocational education, for graduate training. We know that we cannot develop or even survive as a nation without these educational opportunities.

We want to encourage excellence by encouraging local control and local improvement of the Navajo people in education. We need to strengthen our parent committees, not weaken them. We need to educate our parents as well as our young people.

Quality education requires modern facilities equipped to provide the latest technical education such as computer science training. Excellence costs money, but such an investment pays for itself in developing productive, self-reliant young adults.

We request this committee to do everything necessary to ensure the provision of adequate Indian education funds so the Navajo people may receive the quality education that they both need and deserve.

Senator WEICKER. Thank you very much, Mr. Boyd. I appreciate your testimony.

STATEMENT OF RAÚL de la ROSA, DIRECTOR, SUPPLEMENTARY EDUCATION PROGRAMS, OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTIONS, OLYMPIA, WA

PREPARED STATEMENT

Senator WEICKER. The next witness is Raúl de la Rosa, director, supplementary education programs, Office of the Superintendent of Public Instructions, Olympia, WA.

[The statement follows:]

STATEMENT OF RAÚL DE LA ROSA

I. Introduction

Members of the Committee, I would like to thank you for the opportunity to present testimony as a member of the National Association of State Directors of Migrant Education (NASDME). The Migrant Education Program serves over 800,000 children annually as reported by the states, the District of Columbia, and the Commonwealth of Puerto Rico, through the Migrant Student Record Transfer System (MSRTS) data bank located in Little Rock, Arkansas.

The Migrant Education Program is the largest State Education Agency (SEA)-administered program funded by the Department of Education (ED) under the Education Consolidation and Improvement Act (ECIA). The program's primary clients are children of migratory agricultural workers and fishermen. These are children whose educational well-being is shared by one or more states, making them, indeed, children of the nation.

I am certain none of you is a stranger to the social and economic plight of these families and their children. I am confident that you are well aware of the devastating effect the migrant lifestyle has upon the education of migrant children. I am assured of your sensitivity because during the past 17 years you, the Congress, have not only mandated the Migrant Education Program through legislation, but have also sustained it repeatedly by maintaining it as a categorical program and by providing necessary funds.

It is the belief of many migrant educators, myself included, that for some reason the Migrant Education Program has been targeted as expendable since the inception of the ECIA in 1981.

II. Adverse Actions of the Department of Education

For the purpose of stressing my concern, let me list the actions of the Department of Education against the Migrant Education Program:

1. The attempt to include the Migrant Education Program in the block grant, which is history. You, the Congress, recognized the

unique nature of the Migrant Education Program and wisely moved to protect its identity and purpose.

2. A series of budget attacks. Although the Migrant Education Program was increased to $258 million despite its growth during the past three years, this has not been ED's plan but the result of Congressional action. ED has proposed, annually, severe reduction in funding to the Migrant Education Program. Their proposed cutback for Fiscal year 1983 was 49%. This was despite the fact that the MSRTS count has increased substantially. These proposed budget cuts were submitted as actual cuts in program funding below the 1982 funding level, and not, as some might wish us to believe, merely holding the line on proposed increases.

3. The promulgation of rules and regulations calling for a restricted definition of migrancy; one which would, since our funding is based upon actual head count, severely reduce funding to the program.

4. The GAO study - one seen by many as designed to support the ED's definitions of migrancy.

5. The reorganization, loss of program identity, and reduction in force of career staff.

ED relegated the Migrant Education Program, the single largest state agency-administered categorical program, to a position within the Chapter 1, Regular Program, a locally-administered, largely urban flow-through program. Career staff were released, transferred, and/or demoted.

6. A continued series of Inspector General office audits of MSRTS, and eligibility of children served. The intent is to try to determine whether migrant children served are being properly identified or whether the system is loaded with non-migrants and/or settled-out migrants, a seeming obsession with this Administration.

III. Fiscal Year 85 Policies

Currently, there are four major concerns the migrant community and the states have regarding the Administration's fiscal year 1985 budget request for migrant education:

1. The request to reduce the funds from $258,024,000 to $229,626,000.

2. The request to remove the $6 million minimum for coordination of migrant education activities.

3. The elimination of funds for the High School Equivalency and the College Assistance Migrant Program (HEP/CAMP).

4. The request to reduce from five years to two years the time a child can be deemed migratory for purposes of allocating funds and receiving services under the Migrant Education Program.

I will address and analyze each of these concerns.

1. The Administration recommends that the Chapter 1, Migrant Education Program be reduced from $258 million to $229.6 million. As you know, Chapter 1 funding for migrant education is based on the actual number of migrant children served measured down to the precise number of days each child received educational services. The level and distribution of funds under this program is not based on census data which may be outdated or on imprecise estimates but on the number of days eligible children receive educational services. If this program had not been capped by the 1981 Reconciliation, migrant children would be receiving $427 million this year.

In comparing this amount with the present budget of $258 million, one immediately determines that the program is being funded at $169 million less than it should. The Administration's rationale is that these funds would be placed in regular Chapter 1 of the ECIA of 1981 and that migrant children would be served in the regular Chapter 1 program which, I quote, would "improve the effectiveness of the Chapter 1, Migrant Education Program."

In reviewing the Department's budget, migrant education is the only state agency program having a reduction requested. The Chapter 1, Migrant Education Program should be funded at increased levels in order to focus additional resources on the recruitment and identification of migrant children who are still not part of a migrant education program. Since the funding cap on the migrant program in 1981, recruitment and identification activities have ceased for all practical purposes. Because the state educational agencies must serve the most needy children first, it is also apparent that states are not receiving sufficient funds to adequately serve migrant children and young adults already identified.

2. The Administration requests that the $6 million minimum funding level for the MSRTS be eliminated. MSRTS is the heart of the Migrant Education Program. It enables the schools to have ready access to a migrant student's scholastic and health records. This enables the highly mobile migrant student to be quickly placed in the appropriate educational setting and to have reasonable continuity in his or her educational program despite frequent moves. MSRTS also provides the data which enables states to be reimbursed under the Chapter 1, Migrant Education Program based on the actual number of migrant students served.

The legislation being proposed to eliminate the authorization of $6 million for the MSRTS and other coordinating activities is out of character for Administration policy since this fund was established by the states themselves, and the states have continually developed the MSRTS. It is the expressed opinion of the states that the minimum funding remain and that they be allowed to ask the Department of Education for the amount to be set aside in each budget period for the MSRTS and other coordinating activities.

What is so confusing is that the Administration has repeatedly stated that the states ought to be given more liberty in the administration of federally funded programs. It appears from this action taken that the Administration now wants to dictate to the states by telling them how to use their money.

3. The Administration's budget recommends that the High School Equivalency and the College Assistance Migrant Program (HEP/CAMP) receive no funds for FY 1985. These have been enormously successful programs in assisting students from migrant farmworker families to complete their high school education, to enter postsecondary education and to persist and complete postsecondary education. These programs are tailored to the unique educational needs of migrant students, and there are no other programs that provide comparable services to these students.

The rationale given for discontinued funding suggests that the services are too expensive and duplicate similar available services. This charge is without merit. There are no similar services or programs which can provide the type of services rendered by the HEP/CAMP Programs. Further, when one examines the expense of a program, one must also look at the type of service provided and the success experienced by those served.

4. Approximately 800,000 children are registered in the MSRTS, and it is from this pool of children that the FTE student count is determined. The Administration proposes to reduce the period of time during which migrant students can be served after they have "settled out" of the migrant stream from five years to two years.

Because funding issues affect the size and scope of the programs that are provided to migrant children, a prioritization process of services provided and students served is made. The primary object is to identify those migrant students who are greatest in need. Mobile migrant children are found to be the greatest in need and are always at the top of the student priority list to be served. Formerly migratory children are served accordingly, as funds permit.

Formerly migratory children should generate funds and be served by the Chapter 1, Migrant Education Program. The educational set backs many of these children suffer during their migrancy years have the profound effect of increasing the gap in their educational growth and development. The pejorative effects of a migrant lifestyle do not instantly disappear as migrant families settle out. Every effort is made to transition these children into regular school programs and assist them, through planned supplementary educational programs, until they are able to handle regular school demands on their own, or the school community accepts them as legitimate students. It should be noted that many of these settled out migrants continue to harvest crops even after they settle within a community.

The argument that the Chapter 1, Regular program can serve these students is questionable at best. Chapter 1 funds are already strained to the limit and targeted to urban centers.

Assistant Secretary of Education, Dr. Lawrence Davenport, has been quoted by Education Daily from a House Committee hearing as stating that despite an increase in Chapter 1 funds, only 80% of the children needing services would be able to receive them. Therefore, these children cannot be served in Chapter 1 programs . . . they never have been.

There is evidence that a new wave of migrants who had previously dropped from the migrant stream is now back into the migrant lifestyle. This is the result of economic conditions. Whatever prosperity is being felt in this country has not trickled down to the very poor migrant worker.

Further, the devastating freeze, which killed not only harvests but the trees as well in the Rio Grande Valley of Texas, has forced many families to take to the highways for the first time or once again in search of work.

Is it difficult for this Administration to justify continued funding of a program that helps educate children whose parents choose to work, and help feed this nation? I sincerely believe that if this Administration does have this difficulty, you, the Congress does not.

Mr. DE LA ROSA. Good morning, Senator.

I am here to speak on behalf of the 800,000 migrant children who work the crops and who fish in various parts of the nation to help produce food that is served on our tables on a daily basis.

Senator, I have submitted testimony which I would like to embellish this morning with some remarks related to some testimony that you received earlier from the Department. My testimony is submitted in two parts.

One contains a history of the developments that have occurred within this administration since 1981 and the coming of the ECIA chapter I program, and it also relates in the second part to the proposed budget cuts and the attempt by this administration to again redefine the eligibility criteria of migrant children.

During the testimony that was presented to you, you were told by members of the administration that their attempt is to try to reduce the Migrant Program by about $29 million.

The question that I have for the administrators is: Why would they ask for a reduction of $29 million when the Migrant Program, had it not been cut, would currently be funded at approximately $427 million, based on the total number of children that are enrolled in the migrant student transfer system, which is a depository where we track all migrant children throughout the nation.

Now, we know that we do have funding problems, and we know that it is not possible to fund the program at the level that it should be funded according to the number of children—that is $427 million—-but to be funding us right now at $258 million and yet call for a $29 million cut, when the Assistant Secretary, Dr. Davenport, admits that only 80 percent of the children in chapter I are being served.

There are 50,000 children that they cannot account for that will be provided services through the Migrant Program. We are asking for an increase from the current request of the administration.

We believe that $378 million is a fair request, based on the total number of children enrolled in our migrant students record transfer system.

The administration wants a change in the definition of the 5-year settle out migrant, to drop 3 years from that definition, and they logically say that they want that definition altered because they want the mobile children to be served.

Now, I don't understand how the administration can advance that argument. The total number of children, both settled and mobile, comprise the basis on which the funding is determined nationally.

In each of the individual States—in your State, in my State—what we do is we conduct the needs assessment, and we determine which of the children are the greatest in need. Those are the children that are earmarked for services.

Mobile migrant children are always at the top of the list. They are the children with the greatest need and they are the children who are served first.

What we argue is that the total base of both the mobile and the settled-out children is the basis on which we generate funds. Just like the chapter I regular program generates its funds from the low-income index, the Migrant Program has to have a stable population from which it can draw funds. This is comprised both of the mobile and the settled-out, as I have indicated.

To remove 2 years from the 5-year definition will mean that there will be a further reduction on the total number of the base that we will use to generate the funds. That means that the funds that we are currently using from those children to serve the needs of mobile children will greatly be reduced.

Senator, there are about 65,000 preschool children from ages zero to four that do not generate any funds at all. Yet we serve them in the Migrant Program. What is going to happen to these 65,000 preschool children?

The administration advances some very questionable arguments, and we are concerned about those arguments, and we believe that the definition, as you the Congress supported it and have continuously supported it since 1965—1966—should be the definition that we continue to use under the Migrant Program, and to cut that definition or to cut into the years of that definition will mean a great loss to the Migrant Program.

Thank you very much for the opportunity to testify before you, Senator.

Senator WEICKER. Thank you very much.

Mr. DE LA ROSA. And thank you very much for your support of the children of migratory workers.

Senator WEICKER. You have that.

STATEMENT OF SARAH MOORE, COORDINATOR, MIGRANT/ESL PROGRAM, NATIONAL ASSOCIATION OF STATE DIRECTORS OF MIGRANT EDUCATION

PREPARED STATEMENT

Senator WEICKER. Sarah Moore, coodinator, Migrant/ESL Program, National Association of State Directors of Migrant Education.

[The statement follows:]

STATEMENT OF SARAH MOORE

I appreciate the opportunity to testify before the Labor, Health and Human Services, Education and Related Agencies Appropriations Subcommittee. As President of the National Association of State Directors of Migrant Education, I will attempt to act as a spokesperson for the some one-half million children of migratory farmworkers and fishermen. However, my brief remarks to you today will give you only a glimpse into their world.

It is difficult to describe these one-half million children and their educational, social, and economic needs because they differ so widely. They work in the potato fields of Idaho, the citrus groves of Florida, the onion fields of New York, and the shrimp beds off Louisiana. They come in all shades of color and all ages. They differ in intellectual abilities and in achievement levels. However, almost all suffer the burdens of poverty and mobility, which impact so critically on the learning that takes place in our classrooms.

Many families live on the economic edge of survival, working at low wages when crops are ready, and waiting when they are not. Median family income for a migrant family of six - often with children working - is $3,900 a year. Because these children of migratory workers must move with their families for economic survival, they regularly arrive at schools to find classes already full. Not only are their personal lives disrupted by frequent moves, but the educational program into which they are placed is often incompatible with the one from which they moved. Too many times they are placed in classes based not upon their individual educational needs but upon the needs of the school to maintain reasonable class sizes and teacher loads. Too often they fail because they are tested on materials that have never been taught to them.

Unless supplemental assistance is available to help them adjust to the new educational environment, they must adjust alone to the frequent changes in schools, teachers, classmates, educational philosophy and curricula, minimum standards and graduation requirements. For many, it is easier to drop out, to simply not enroll in a new school, than it is to continue to adjust to these changes, especially when mobility makes attainment of minimum attendance or achievement requirements impossible.

While there are differences among migrant children and their families, many suffer the bond of social isolation that is due to their migrancy. You will not see "typical migrant" parents before you or boards of education pleading the cause for special educational programs for their youngsters. They often lack knowledge of and experience with the concept and processes of local control of schools. They lack political power because of their mobility, their own lack of education, and their low socio-economic status. Their concern is economic survival. They are the disenfranchised who have neither the time nor the knowledge to work through boards of education to insure that appropriate educational opportunities are available for their children as they move across school districts and state boundaries in pursuit of employment. They rarely have the time, resources, or training to influence educational policies affecting their children, nor do they have the political acumen to affect legislation or allocations that will benefit their children.

These, however, are families contributing to the nation's welfare. They perform backbreaking labor at subsistence wages to put food on the nation's tables. Indeed, it is questionable whether American agriculture could maintain its leadership in the free world without the manpower provided by these migrant families.

The Migrant Education Program was added to the original ESEA Title I legislation because highly mobile children were frequently not being served by Title I. Unfortunately, this still holds true for Chapter I. In a recent Georgia migrant program needs assessment we found that fewer than one-third of the settled-out migrant children received any supplemental instructional services through non-migrant sources. For those migrant students who moved within the past year, only one-quarter received such services, although more than two and one-half times that number needed these services. There are two primary reasons Chapter I does not provide services to many migrant children. First, regular Chapter I funds are targeted largely to urban school districts whereas migrant children enroll in rural school districts. Second, fall Chapter I classes are established in the spring or summer, when many migrant students are not enrolled in their fall school districts at that time so are not included in classes. When they do arrive the classes are full.

Those who argue that migrant children would continue to be served by regular Chapter I programs if the migrant program were eliminated have not done their homework. Without a nationally coordinated migrant program, local educational districts cannot provide the educational continuity these children so desperately need. The migrant child is a national child, and the federal government must not abdicate its responsibility in this area.

There are those who have also suggested that the authorizing legislation should reduce the period of eligibility from five years to two. Congress has reviewed this issue before, and retained the current definition. Those of us who work in the field know how important it is to continue to provide services for several years because the mark of many years of mobility and educational disruption is not easily erased by one or maybe two years of special programming. We all can name several families who had full intention of settling out, but due to changing economies and marginal job skills were once again thrown into the migrant stream. While program priority should certainly continue to remain on students who have moved within the past twelve months, those who may try to settle out should not be neglected.

All is not bleak. I can share with you some of the successes the program has had. I can tell you about the high school dropout who is employed as an aide working with migrant students in Georgia and about to graduate from college and get her teaching certificate. She plans to continue to work with migrant students. There are state directors of Migrant Education Programs who were formerly migrant workers moving across the country with their families; there are other former migrants who are successful in the classroom as teachers and in the schools as administrators; there are lawyers and college professors and national league ball players who once picked crops, worked as fishers, picked up pecans, planted and harvested, milked and plowed, and through myriad other jobs helped to provide food for the nation's dinner tables. However, there are thousands still in the forests, fields, and fishing boats who continue their backbreaking labor. While some have chosen to continue to work at the jobs they performed as children and which their parents performed, most continue without choice. They have no options because they have no other job skills and very low levels of educational attainment. We hope that through migrant education, their children can have more.

I can tell you about the Migrant Student Record Transfer System (MSRTS), one of the most advanced uses of technology in education. This system links the teacher in the homebase state with the teacher in the receiving state so that both will be better able to plan instructional programs for students. In our state, students who may not have been allowed to enter school because of lack of immunization documents were allowed to enter because MSRTS health records arrived. MSRTS is our key to educational continuity, program planning, and program evaluation.

Although our various states have diverse educational goals and numerous curricula, educators of migrant children have learned to work together to insure some continuity of the educational process for students as they move across school district lines and are confronted with new standards and different levels of expectation. Educators are working together through the Migrant Education Program to insure that students who move before completing a course do not lose credit for the work done. For years migrant students had no chance to graduate. Because they had to move before the end of the school year, they missed many days of coursework, frequently moving into a school district where it was impossible to continue the work begun in the school from which they had moved. Now there are numerous cooperative agreements among school districts to provide appropriate opportunities for migrant students to continue their coursework as they move and to receive credit for their work regardless of the school district in which it is done.

Interstate cooperation projects (also known as 143s) have provided migrant educators with opportunities to work together on a variety of projects related to instructional continuity and program implementation. These projects have directly improved opportunities for migrant children.

And I can tell you about the High School Equivalency Program and the College Assistance Migrant Program (HEP/CAMP), which have been successful in helping migrant students complete their high school education and to enter and complete postsecondary education. These programs are designed to meet the unique educational needs of migrant students and their effectiveness has been demonstrated. For many high school age and older students, these programs provide both incentive and opportunity to continue their education. Unfortunately, there are many other students whose needs these programs cannot meet because the current funding of $7.5 million is inadequate to serve all who need and desire to continue their education outside the public secondary setting. Additional funding would enable these programs to serve more students.

Where do we go from here? I will go back to my state and try to improve our program delivery. We know we are not meeting the needs of all students. The numbers in each grade in high school are much lower than in elementary grades. More resources are needed to meet the needs of high school students and of high school dropouts. I will continue to work so that all educational institutions can be more flexible to meet the needs of special students.

It is the responsibility of those of us in the educational arena and those of you in the political arena to assure that migrant children have access not only to equal educational opportunities, but also to educational excellence. It is our task to develop the best ways to teach these children so that they have an opportunity to succeed academically.

It is your task to provide categorical federal funds at an adequate level to provide services to children who move in and out of and attend school in many school districts in more than one state. The long-term consequences of not providing appropriate educational opportunities and services to migrant children are too costly. The chances of children failing grades, dropping out of school, and being relegated to a lifetime of underemployment or unemployment, are substantially increased. Instead of becoming productive tax-paying citizens, they can become drains on society in terms of welfare and unemployment costs and, possibly, crime. The capital investment for education is very modest when compared to the resulting problems if appropriate education is not provided.

I would like to express my appreciation to the Committee for allowing me to address you on this important issue. I am certain that the decisions you make will reflect the most careful thought and consideration and will be in the best interest of our nation's students.

Ms. MOORE. Good morning.

Senator WEICKER. Go right ahead.

Ms. MOORE. I have previously submitted my testimony, which I ask you to refer to, but I would like to highlight some of that testimony now.

As president of the National Association of State Directors of Migrant Education, which represents the 49 States, Puerto Rico, and the District of Columbia, I would like to share with you some information about migratory children of migratory fishers and farm workers.

Many of these families live on the economic edge of survival, working when crops are ready and waiting when they are not. The median family income for a migrant family of six, with the children off and working, is only $3,900 a year.

Because these children of migratory workers must move with their families for economic survival, they regularly arrive at schools to find classes already full. Not only are their personal lives disrupted by frequent moves with their families, but when they arrive in school they are often placed in programs incompatible with the one from which they have moved.

Too often they are placed in educational programs based not upon their individual educational needs but upon the needs of the school, which is to maintain reasonable class sizes and teacher loads.

Too often they fail because they are tested on materials they have never been taught. .Too often they drop out because they can never attain enough credit for their attendance.

While there are many differences among migrant children and their families, many suffer the common bond of social isolation that is due to their migrancy. You will not see a typical migrant parent before a local board of education or before you pleading the causes for special education programs for these youngsters. They lack knowledge of and experience of the concept and processes of local control of schools.

They lack political power because of their own mobility, their lack of education, and their low socioeconomic status. Their concern is economic survival.

They are the disenfranchised who have neither the time nor knowledge to work through boards of education to ensure appropriate educational opportunities.

These, however, are families contributing to the Nation's welfare. They perform backbreaking labor at subsistence wages to put food on the Nation's tables.

Indeed, it is questionable whether American agriculture could survive and maintain its leadership in the world without the manpower provided by these migrant families.

The Migrant Education Program was added to the original ESEA title I legislation because the highly mobile children were not frequently being served by title I. This still holds true for chapter I.

In a recent needs assessment in Georgia, we determined that among settled-out migrant children fewer than one-third received supplemental services provided other than through the Migrant Program, and of the currently migratory children fewer than one-fourth, although more than 2½ times that number of children needed these services.

Basic chapter I does not provide services to these children because basic chapter I funds are targeted largely to urban school districts. Migrant children enroll in rural school districts.

Furthermore, these children arrive in the school systems after the classes are already set for basic chapter I.

Those who argue that migrant children would continue to be served by regular chapter I programs have not done their homework. Without a nationally coordinated Migrant Education Program, local educational districts cannot provide the services and educational continuity these children so desperately need.

The migrant child is a national child, and the Federal Government must not abdicate its responsibility in this area.

There are those who suggest that we should cut the eligibility from 5 years to 2. As one of my colleagues said, once a migrant child always a migrant child, because very few ever overcome the effects of their migrant status.

All is not bleak, however. I can tell you about successes among migrant children. I can tell you about doctors, lawyers, national league ballplayers, and many others.

However, there are still thousands in the forests, fields, and fishing boats who continue their backbreaking labor. Some do this through choice. However, there are some who have no options because they have no other job skills and very low levels of educational attainment.

We hope that through migrant education their children can have a choice.

I can tell you about the migrant student record transfer system, one of the most advanced uses of technology in education. This system links the teacher in the home base State with the teacher in the receiving

State so that both will be better able to plan instructional programs for students.

In our State, students who might not have otherwise been admitted to school because of lack of immunization documents have been admitted because of MSRTS health records.

Educators are working together through this program to ensure that students who move before completing a course do not lose credit, as they previously had done. There are now cooperative agreements among school districts to provide appropriate opportunities for migrant students to continue their course work as they move and to receive credit for their work regardless of the school district in which it is done.

I can also tell you about the High School Equivalency Program and the College Assistance Migrant Program, which have been successful in helping migrant students complete their high school education and to enter and complete postsecondary education.

Unfortunately, there are many other students whose needs are not being met because these programs are funded at an inadequate level. Additional funding would enable these programs to serve more students.

Where do we go from here?

I will go back to my State and try to improve our program delivery. We know we are not meeting the needs of all students. The numbers at each grade in high school are much lower than the numbers in each elementary grade. More resources are needed to meet the needs of high school students and of high school dropouts.

The long-term consequences of not providing appropriate educational opportunities and services to migrant children are too costly. The chances of students failing grades, dropping out of school, and being relegated to a lifetime of unemployment or underemployment are substantially increased.

The capital investment for education is very modest when compared to the resulting problems if appropriate education is not provided.

I would like to express my appreciation to the committee for allowing me to address you and for the previous efforts on behalf of migrant children, and I would like to share with you a migrant pin. It is our national pin—the Sun, the fields, and the open book.

Any questions?

Senator WEICKER. Thank you very much. I appreciate it.

STATEMENT OF MICHAEL CASSERLY, COUNCIL OF THE GREAT CITY SCHOOLS

PREPARED STATEMENT

Senator WEICKER. Our next witness is Michael Casserly, Council of the Great City Schools.

[The statement follows:]

STATEMENT OF MICHAEL CASSERLY

Mr. Chairman, my name is Michael Casserly, Director of Legislation and Research for the Council of the Great City Schools. I am pleased to take this opportunity to testify before this important Subcommittee on federal spending for education-related programs.

Currently in its 28th year, the Council of the Great City Schools is a national organizaiton comprised of 32 of the country's largest urban school systems. On our Board sit the Superintendent and one Board of Education member from each district, making the Council the only education group so constituted and the only one whose membership is solely urban.

The Council's membership serves 4.2 million inner-city youngsters, or 11% of the nation's public school enrollment. Approximately 32% of the nation's Black children, 27% of the Hispanic children, and 21% of the Asian children are being educated in our schools. Almost one-third of our enrollments are of children who reside in families receiving public assistance, and nearly 75% of the average enrollment is minority. Despite the increasing concentrations of hard-to-serve youngsters, the city schools are now witnessing an upsurge in the achievement of students. The majority of our districts now show achievement levels at the elementary grades at or above national norms.

Mr. Chairman, I would like to devote my testimony this morning to a review of changes in federal support for education over the last four years and the effect of those changes on our inner-city schools.

The 32 districts comprising the Council receive $1.518 billion from all federal government sources this current (1983-84) school year, down from the 1980-81 level of $1.713 billion or a decline of 11.4%. Of this $1.518 billion in funding, $874.8 million (57.6%) comes from the Department of Education. In the 1980-81 school year, however, approximately $1.005 billion in funding was garnered from ED, marking a 13% decline in education dollars (not accounting for inflation) from that year to the current one. By next year (1984-85), education funding to the big cities should increase appreciably to about $926.5 million but will continue to be 7.8% below the 1980-81 levels.

These cuts in federal education funding to the inner-city schools, which reached nearly 20% in the 1982-83 school year, were significantly larger than those felt by the larger education community. In FY84 (the 1984-85 school year), the federal appropriations for elementary and secondary education were about $6.886 billion, down 2.2% from a level of $7.041 billion in FY80 (see Table 1). Of the total decline in elementary and secondary education funding ($154.7m) between FY80 and FY84, city schools have absorbed $78.5 million or 51% of it. Urban School systems, then, which contain 11% of the nation's public school children and which garner about 14% of the federal elementary and secondary education funds have been asked to absorb one-half of the federal cuts in this area.

The effect of federal education policy over the last four years has been not only to cut funding but to dilute what remains.

These cuts to urban school systems and the general dilution of funding are an outgrowth of a number of factors. The first was a result of the 1981 Omnibus Budget Reconciliation Act which consolidated the Emergency School Aid Act with about 28 other small programs. Funding under this block grant has dropped from $151.7 million in 1980-81 (most of which included ESAA grants) to $57.5 million this current school year, a drop of 62% in three years. The losses in seversl cities have exceeded 75% (see Table 2). These enormous cuts are the result of both the general decline in funding for the program and the lack of targetting in the distribution of funds.

Table 1.

Great City School Education Funding Compared To All Elementary And Secondary Education Appropriations*

(in thousands)

	FY80	FY81	FY82	FY83	FY84	Δ
Elem.Sec. Approp.	$7,041,126	$6,457,818	$6,060,736	$6,512,899	$6,886,432	- 2.2%
City Schools	1,005,072	874,440	810,377	874,747	926,532	- 7.8
%	14.3%	13.5%	13.4%	13.4%	13.5%	

* Includes appropriations for compensatory education, special programs and populations, Impact Aid, Indian Education (ED), Bilingual education, Special Education, Vocational Education and Adult Education.

The second major factor contributing to the inordinate decline in federal education funding to cities involves cuts to programs that are often highly targetted. The elimination of Chapter 1 Concentration grants, a decline in funding for Impact Aid low-rent housing children, Follow-Through and Bilingual Education have all served to reduce the targetting in federal education funding. The general upswing in allo-

DECLINE IN FUNDING ATTRIBUTABLE TO CHAPTER 2 (ECIA)

District	Antecedent 1980-81	Antecedent 1981-82	1st Year Block+ 1982-83	2nd Year Block+ 1983-84	Estimate+ 1984-85	% Δ
Albuquerque	$ 550,000	$ 544,602	$ 518,849	$ 454,002	$ 454,002	- 17.5%
Atlanta	1,630,000	1,300,000	886,168	906,732	906,732	- 44.4*
Baltimore	1,705,186	1,176,254	1,426,885	1,623,999	1,425,612	- 16.4
Boston	3,332,080	659,003	1,401,493	1,360,000	1,360,000	- 59.2*
Buffalo	6,698,530	7,651,652	1,200,000	1,596,925	1,596,925	- 76.2*
Chicago	5,820,000	6,784,273	6,358,256	5,800,000	5,800,000	- 0.3*
Cleveland	15,499,068	4,968,874	1,234,187	1,016,469	1,016,469	- 93.4*
Columbus	5,732,335	3,537,746	768,240	693,450	693,450	- 87.9*
Dade County	2,820,046	2,624,959	3,097,906	3,284,273	3,284,273	+ 16.5*
Dallas	3,975,387	2,654,230	1,510,968	1,436,403	1,436,403	- 63.9*
Denver	1,862,017	784,158	815,948	760,171	760,171	- 59.2*
Detroit	7,304,073	4,530,000	3,800,000	3,291,009	3,291,009	- 54.9*
Long Beach	190,283	183,386	310,000	458,737	458,737	+141.1
Los Angeles	19,817,260	10,458,362	8,077,423	7,238,344	7,238,344	- 63.5*
Memphis	1,249,441	1,043,532	1,051,279	1,068,897	1,068,897	- 14.5*
Milwaukee	8,527,592	7,835,647	2,695,606	1,667,441	1,667,441	- 80.5*
Minneapolis	700,000	679,371	604,426	530,982	530,982	- 24.2*
Nashville	1,035,940	795,675	600,900	650,481	650,481	- 37.2*
New Orleans	2,110,699	1,903,758	843,400	917,000	917,000	- 56.6*
Norfolk	639,531	580,519	480,080	471,736	471,736	- 26.2*
New York	21,165,781	14,525,753	11,554,866	10,000,000	10,000,000	- 52.8*
Oakland	1,007,273	625,937	331,638	857,947	350,000	- 65.3*
Philadelphia	9,198,555	6,573,959	4,087,137	4,038,727	4,038,727	- 56.1*
Pittsburgh	887,135	463,949	737,976	730,000	570,000	- 35.8
Portland	714,878	686,000	657,018	650,687	650,687	- 9.0*
Rochester	1,565,232	3,076,523	919,923	711,123	711,123	- 54.6*
Seattle	7,012,640	4,230,337	923,530	916,030	916,030	- 86.9*
St. Louis	7,798,795	5,131,487	750,000	704,196	704,196	- 91.0*
San Francisco	2,340,442	1,610,144	1,051,682	992,507	1,002,995	- 57.2*
Toledo	1,693,452	879,592	473,000	472,504	472,504	- 72.1*
Washington, D.C.	7,155,121	5,081,817	2,187,360	2,229,304	2,229,304	- 68.8*
City Total	$151,738,772	$103,581,499	$ 61,456,144	$ 57,530,076	$ 56,674,230	- 62.7%
National Total	$742,896,000	$498,010,000	$442,176,000	$450,655,000	$450,655,000	- 39.3%
%	20.4%	20.8%	13.9%	12.8%	12.6%	

* Districts with antecedent ESAA grants; + Includes funds provided through SEA 20% discretionary funds and funds spent for private schools amounting to approximately 15% of total LEA grants.

cations from Chapter 1 to inner-city schools is the result of both increasing appropriations for this program, for which we are very grateful, and the shift in the Census data for distributing funds.

At this point, I would like to address briefly three erroneous assumptions about these cuts: that they are not unfairly applied, that they can be absorbed through state and local sources, and that they are less harmful when inflation is low. The unfairness of the cuts should be clear enough from the data indicating that a small number of districts with extremely high concentrations of poor and minority students have absorbed nearly half of the cuts in federal education spending over the last four years. Secondly, there has infact, been some attempt at the local level to make up the losses from the federal government through new tax levies and special bonds. Last school year was the first in nearly 14 years to see the local share of urban school revenues increase rather than decrease. Our research, however, and independent research by the Joint Economic Committee indicates that these new taxes were often temporary or one-year revenue raisers and were not able to sustain any growth in school funding. The third assumption also appears incorrect. The Council will be releasing a report within the next two weeks that will show that lowered inflation has not helped the financing of city schools.

Mr. Chairman, the Council would like to thank you for continuing to support the Chapter 1 program, for it is through this program that achievement scores of inner-city youngsters are rising. We would also like to make a number of recommendations for FY85:

1.) That funding for Chapter 1 in FY85 be at the highest possible level;
2.) That the Committee provide $100m for the Chapter 1 Concentration programs;
3.) That the Committee enhance funding for Impact A low-rent housing children and Bilingual Education; and
4.) That the Committee work with the sponsors of S. 1256, the Desegregation Assistance Act, to restore funding for this important program.

Mr. Chairman, that concludes our testimony. I would be happy to try to answer questions.

CITY-BY-CITY FEDERAL BUDGET ALLOCATIONS*

City School	Actual 1980-81	Actual 1981-82	Actual 1982-83	Actual 1983-84	Estimated 1984-85
Albuquerque	$ 14,083,285	$ 13,008,692	$ 12,796,123	$ 12,734,290	$ 13,491,954
Atlanta	30,789,703	30,346,293	27,208,245	28,827,657	29,430,814
Baltimore	62,380,343	44,118,340	40,624,258	43,720,038	45,860,613
Boston	28,792,565	24,385,972	23,807,307	25,668,918	27,017,584
Buffalo	27,239,211	27,403,184	20,184,005	21,370,138	22,561,681
Chicago	182,201,840	159,487,692	179,970,256	202,838,000	182,249,956
Cleveland	52,554,632	37,647,731	28,722,441	28,836,953	29,504,084
Columbus	24,812,041	20,289,655	16,633,589	16,959,959	17,929,426
Dade County	71,265,243	68,571,167	68,806,231	74,858,694	77,026,340
Dallas	34,140,269	33,652,709	31,568,753	29,900,764	31,488,769
Denver	21,282,522	15,550,433	16,125,916	16,345,715	16,532,695
Detroit	91,333,340	72,153,276	69,310,143	68,765,614	72,740,908
Long Beach	13,690,607	13,224,291	13,791,460	13,728,348	14,297,543
Los Angeles	187,410,277	155,797,926	156,655,049	173,064,155	182,233,211
Memphis	37,464,175	32,616,642	32,248,403	33,198,610	34,711,497
Milwaukee	34,797,799	31,457,209	26,386,170	24,245,949	25,381,171
Minneapolis	13,397,485	11,848,890	10,631,267	10,769,883	10,757,429
Nashville	14,774,921	13,575,369	13,296,562	12,644,805	13,239,588
New Orleans	31,100,757	29,061,300	24,761,991	26,730,861	27,959,248
Norfolk	16,929,391	13,603,459	15,444,169	14,172,569	13,259,423
New York City	389,832,270	336,324,612	337,162,903	374,936,712	393,650,539
Oakland	20,997,840	17,394,179	17,505,516	17,692,432	17,877,619
Pittsburgh	24,205,058	22,559,050	20,063,815	19,216,564	19,603,171
Philadelphia	113,491,472	92,953,645	87,516,145	97,084,111	101,423,011
Portland	15,172,024	13,466,260	12,155,088	12,357,308	12,951,305
Rochester	17,128,858	16,051,783	13,219,108	13,591,977	14,327,732
Seattle	20,801,028	13,743,228	11,387,815	11,045,670	11,459,682
St. Louis	35,826,013	31,062,686	24,762,596	24,048,962	24,421,507
San Francisco	22,667,221	21,593,860	18,254,571	18,901,068	19,246,807
Toledo	12,195,497	11,036,965	9,904,456	10,764,412	11,409,043
Washington, D.C.	50,511,209	42,800,034	39,174,965	38,726,436	38,987,819
TOTALS	$1,713,268,896	$1,466,786,532	$1,420,079,316	$1,517,747,572	$1,553,189,583

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* Includes funds from the Departments of Education, Labor, Agriculture, HHS, Energy, HUD and others.

Program-By-Program Federal Budget Allocations To Great City Schools
1980- To 1984-85
(School Years)

Education Programs	1980-81	1981-82	1982-83	1983-84	Estimates, 1984-85
Chapter 1 (A)	$ 583,518,340	$ 550,365,717	$ 544,425,886**	$ 600,107,474***	$ 660,851,570**
Chapter 1 (N/D)	1,128,583	1,100,026	1,369,128	1,885,823	1,996,878
Chapter 1, Migrant	2,132,740	2,144,533	2,070,358	2,284,042	2,289,027
Chapter 1, Handicapped	8,649,707	10,327,987	10,697,616	14,152,382	14,518,687
Chapter 2	151,738,772	103,581,499	61,456,144	57,530,076	57,530,076
Handicapped Ed.	76,774,312	75,503,450	73,616,887	77,494,563	81,381,182
Impact Aid	58,433,710	23,030,313	20,927,459	20,048,022	(4,500,000)
Vocational Education	59,746,064	52,031,516	53,456,433	57,917,915	58,832,506
Adult Education	14,193,823	13,098,416	11,758,021	11,278,884	11,872,505
Bilingual Education	31,978,428	29,878,556	21,755,872	25,110,344	26,734,355
Indian Education	2,993,515	2,821,580	2,774,839	2,208,694	2,319,664
Follow Through	9,197,416	4,933,892	4,053,217	3,423,698	2,600,704
CRA-IV A	2,303,519	2,926,925	507,089	0	0
Career Education	454,675	503,773	267,420	52,000	0
Law Education	679,708	715,499	0	49,271	0
Women's Equity	351,593	149,186	133,721	136,803	136,803
Alcohol/Drugs	695,000	755,066	712,000	718,485	718,485
Other +	102,300	572,273	394,900	348,774	250,000
Subtotals	$1,005,072,205	$ 874,440,207	$ 810,376,990	$ 874,747,249	$ 926,532,442
Labor Programs					
CETA/JTPA	$ 183,307,938	$ 53,813,766	$ 34,204,488	$ 23,283,674	$ 21,000,000
Agriculture Programs					
Child Nutrition	$ 467,921,357	$ 479,893,634	$ 508,436,702	$ 535,495,705	$ 559,593,012
Nutrition Education	232,961	156,722	15,000	15,000	0
Subtotals	$ 468,154,318	$ 480,050,356	$ 508,451,702	$ 535,510,705	$ 559,593,012
HHS Programs					
Refugee Aid	$ 11,658,700	$ 13,463,691	$ 12,522,714	$ 13,099,595	$ 10,020,000
Day Care	18,281,868	16,360,225	14,411,047	14,177,941	13,000,000
Headstart	11,098,178	17,552,364	19,578,025	19,477,158	18,000,000
Subtotals	$ 41,038,746	$ 47,376,280	$ 46,511,786	$ 46,754,694	$ 41,020,000
Energy Programs					
Conservation Grants	$ 2,859,408	$ 4,498,899	$ 1,201,123	$ 2,053,459	$ 2,053,459
Housing Programs					
Community Development	$ 4,074,289	$ 3,934,764	$ 16,207,176	$ 11,490,670	$ 1,490,670
Other					
Public Broadcasting	$ 1,474,334	$ 1,631,034	$ 1,479,486	$ 1,601,037	$ 1,500,000
Miscellaneous*	$ 7,287,658	$ 1,041,226	$ 1,646,565	$ 22,306,084	$ --
GRAND TOTALS	$1,713,268,896	$1,466,786,532	$1,420,079,316	$1,517,747,572	$1,553,189,583

+ Includes National Diffusion Network and other research grants.

* Includes National Endowment for the Arts, National Endowment for Humanities, Action, ROTC, Interior Indian Programs, DOT Drive Chicago desegregation grant, Smoking Prevention (HHS), Pregnancy Prevention (HHS), and others

** Approximately 55% of the increase in funding under Chapter 1 is due to shift from 1970 to 1980 Census data for funds distribut

Mr. CASSERLY. Thank you, Mr. Chairman. I will be brief. I know we have a limited amount of time.

I am Michael Casserly, director of legislation and research for the Council of the Great City Schools.

As you may know, the council is a national organization comprised of 32 of the country's largest urban school systems. Our membership serves 4.2 million inner city youngsters, about 11 percent of the Nation's public school enrollment.

Approximately 32 percent of the Nation's black children, 27 percent of the Hispanic children, and 21 percent of the Asian children in the country are being educated in our school systems.

Almost one-third of our enrollments are of children who reside in families receiving public assistance, and nearly 75 percent of the average enrollment is minority.

I mention these statistics, Mr. Chairman, to add context to the costs that urban schools have had to bear over the last couple of years. I would like to just briefly describe some of the changes in Federal support for education over the last 4 years that have affected urban schools.

Mr. Chairman, I would like to call your attention to some charts that we included in our written testimony. On page 3 we have a chart comparing allocations to urban school systems, to elementary and secondary appropriations from fiscal year 1980 to fiscal year 1984.

On page 4, we have a chart describing how those cuts are attributable to chapter II block grants, city by city, and on pages 6 and 7 we have tables on the city-by-city basis describing Federal budget allocations from fiscal year 1980 to 1984 on program-by-program allocations in the entire education, health and labor area.

Our 32 inner city school systems receive approximately $1.5 billion from the Federal Government for all sources in this current school year. That is down from a level of about $1.7 billion in the 1980–81 school year. Of this $1.5 billion in funding, about $874 million of it comes from the Department of Education. In the 1980–81 school year, a little over $1 billion in funding was garnered from the Department of Education, marking about a 13-percent decline in funding from that school year to the present one.

These cuts in Federal education funding to the inner city schools, which reached nearly 20 percent in the 1982–83 school year, are significantly larger than those felt by the larger education community.

In fiscal year 1984 the Federal appropriations for elementary and secondary education were about $6.9 billion, down about 2.2 percent from a level just over $7 billion in fiscal year 1980. Of the total decline in elementary and secondary funds from fiscal year 1980 to fiscal year 1984, which amounts to about $155 million, city schools have had to absorb almost $79 million of it, or 51 percent of those cuts.

Urban school systems, then, which contain about 11 percent of the Nation's public school enrollment and which garner about 14 percent of the Federal elementary and secondary education funds, have been asked to absorb almost one-half of the Federal cuts in elementary and secondary education from fiscal year 1980 to fiscal year 1984.

One of your previous witnesses talked about the drop in the Federal share of education funding from about 8.9 percent to about 6.4 percent. Comparable urban figures are a drop from about 14 percent in the 1980–81 school year to about 8.5 percent in this current school year.

These cuts to urban school systems are an outgrowth of a number of factors. The first was a result of the 1981 Omnibus Budget Reconciliation Act, which consolidated the Emergency School Aid Act with about 28 other small programs.

Funding to the cities under this block grant dropped from about $152 million in the 1980–81 school year to $57 million this current school year, or a drop of 62 percent in 3 years. The losses in several cities have exceeded 75 to 80 percent, and I know the city of Milwaukee has lost almost 85 percent because of the chapter II consolidation in just 3 years.

The second major factor contributing to the inordinate decline in Federal education funding to cities involves cuts to programs that are often highly targeted. The elimination of the chapter I Concentration

Grant Program, a decline in funding for the impact aid in low-rent housing children, follow-through, and bilingual education have all served to reduce the targeting in Federal education funding for the last 4 years.

These cuts, in general, have resulted in the elimination of chapter I programs in high schools and in junior highs, where they are badly needed in the inner cities, and have severely damaged voluntary magnet programs to desegregate the cities over the last couple of years and have meant substantially higher tax rates in the inner cities, where some of these residents are the most highly taxed of any in the country.

In closing, Mr. Chairman, I would like to make a number of recommendations to increase the targeting of elementary and secondary funding to the cities.

One is that the subcommittee provide the highest possible appropriations to the chapter I program, and I know that you have continued to be a major supporter of that program and we dearly appreciate that.

The second recommendation would be to put a $100 million into the chapter I Concentration Program, enhance funding for the impact aid low-rent program and bilingual education, and to work with the sponsors of S. 1256, the Desegregation Assistance Act, to restore funding that was lost under the Emergency School Aid Program.

I would also like to say we support the recommendation from the previous witness to put additional funding into the Asbestos Detection Program.

Senator **WEICKER**. Thank you very much for your testimony, Mr. Casserly.

STATEMENT OF VINCENT GRAY, MEMBER, GOVERNMENTAL AFFAIRS COMMITTEE, ASSOCIATION FOR RETARDED CITIZENS

PREPARED STATEMENT

Senator **WEICKER**. The next witness will be Vincent Gray, member of the governmental affairs committee, Association for Retarded Citizens.

Senator Proxmire will now take over the chair of the committee.

Senator **PROXMIRE** [presiding]. Thank you, Mr. Chairman. I apologize for being late.

Senator **WEICKER**. I know you were on the floor, and I will be down in a few short minutes.

[The statement follows:]

STATEMENT OF VINCENT GRAY

My name is Vincent Gray. I appear before you today representing the Association for Retarded Citizens, a national organization composed of 1,600 local and state associations with approximately 200,000 members, about one-half of whom are parents of mentally retarded children. I am the Executive Director of the District of Columbia Association for Retarded Citizens, an agency which provides vocational and residential services to approximately 700 mentally retarded persons on a daily basis. We operate several programs geared to enable mentally retarded adults to enter the world of work. Over 600 clients are currently employed in our programs of transitional work, sheltered work and a work activities program. Almost 300 of these workers are employed through the federal Javits-Wagner-O'Day program. The D.C. ARC also supervises 6 group homes and 3 apartments where 55 mentally retarded individuals reside. Additionally, we are involved in surrogate parent programs, a pilot parent program and we serve as monitors for the court ordered consent decree for Forest Haven, the District of Columbia's institution which houses mentally retarded people.

I am a member of the President's Committee on Mental Retardation, serve as Vice-Chairman of the Mayor's Committee on Handicapped Individuals and on the District's Special Education Advisory Panel.

The ARC wishes to reinforce one basic message to the Congress and to this Committee: Federal funds wisely invested now in the education and training of mentally retarded and other disabled people will forestall or diminish certain clearly expectable but often ~~times~~ unnecessary burdens on American taxpayers in the future.

As you know, mental retardation is a lifelong disabling condition which affects over 6 million Americans. There are varying degrees of retardation, ranging from mild to profound retardation. In many cases, a continuum of services throughout the life of the individual is essential for that person to survive. The more severe the retardation, the more services are usually necessary. With proper training and support services, most retarded persons will become employed and lead active, productive lives in their communities.

Basic services such as early intervention, child development, special education, vocational rehabilitation, residential, social and medical services are essential to prevent unwarranted and costly institutionalization and wasted lives.

The Federal government plays a vital role in assisting states, local governments and private agencies such as the ARC to provide this array of necessary services. Most programs serving mentally retarded citizens, while being spared from huge cutbacks sought by the current Administration, have clearly not grown to meet the demand for services. In real purchasing power, most of the major programs serving disabled individuals have operated at a level below that of 1979 for the past few years. Again this year, the Administration's budget request for most programs serving mentally retarded individuals is held at last year's level, not even allowing any inflation factor.

State agencies are now really feeling the crunch of the Federal budget cuts of the early '80's; state funds have dried up and in many instances waiting lists for entry into vital programs are growing daily. Parents of mentally retarded people are very concerned that their offspring will lose their current services or fail to gain access to necessary services. This is particularly true of the mentally retarded children who upon completion of public school special education programs are not finding much assistance for further training as they become young adults.

Time does not permit me to review all of our concerns today, so I will concentrate on several vital programs funded through the Departments of Education and Health and Human Services.

Education for the Handicapped

Almost 800,000 mentally retarded children receive public school special education, constituting approximately 20% of the entire school age handicapped population. To the parents of these children, the Education for All Handicapped Act not only guarantees an appropriate education, training and skill development for their children, but also provides hope for a real future. Knowing the severe financial difficulties being faced by school systems throughout the country, our members are fearful that the quality of, if not the access to, a meaningful education is jeopardized. Many remember the day, just a few short years ago, when the doors of public schools were firmly closed to their mentally retarded children. We don't want that to happen again.

Many special education programs have been affected by the fiscal crisis in the schools. Class sizes have increased, classroom aides have vanished and related services have become scarcer, if available at all. The ARC looks to the Federal government to assist state and local education agencies in financing special education. When P.L. 94-142 was enacted in 1975, the Congress set as a goal paying 40% of the excess costs of special education. In the late 1970's, approximately 12% of the excess costs were being met by the Federal government. For fiscal year 1985 the Administration requests only 8% share. That is simply too low and can only lead to major cutbacks in special education services in many school systems.

The ARC strongly urges the Committee to appropriate $1,334,800,000 for the P.L. 94-142 state grant. This figure would restore a 12% excess cost reimbursement level.

More than 100,000 mentally retarded children receive their special education under the Chapter I special state set-aside for state operated or supported schools, most of whom receive their education in institutions for retarded persons. The Administration is proposing $146.52 million for this program, the same level available since 1982. We recommend the Congress fund the so-called Section 313 program at $155.31 million to allow for a 6% cost-of-living increase.

The ARC also supports four vital programs in the Education for the Handicapped Act. They are: Preschool Incentive, Early Childhood Projects, Special Education Personnel Development, and the new Transition Program.

Our association recognizes, as do practically all of the experts in the field, the importance of early intervention which has been proven time and again to significantly enhance the learning potential of handicapped children. The Preschool Incentive and Early Childhood programs are among the few Federal initiatives which provide such early intervention opportunities. Both of them merit being increased. We recommend $36.31 million for the Preschool Incentive and $27.1 million for the Early Childhood program.

Special Education Personnel Development provides the Federal resources which promote an adequate supply of trained special educators and support personnel for our nation's classrooms. Special education teachers are in short supply, while the demand grows. This gap must be bridged by providing increased funds in fiscal year 1985. The ARC recommends $61.15 million for Special Education Personnel Development. This increase will allow new initiatives mandated by the recently enacted Education for the Handicapped Act Amendments (P.L. 98-199), particularly parent training and related services, to be effectively implemented.

The ARC is very excited over the possibilities offered by the new Transition program also authorized by P.L. 98-199. We must continue to expand our efforts to train and employ our "aging out" special education students. We recommend an appropriation of $6.33 million for this program, the fully authorized amount.

Vocational Rehabilitation

Clearly one of the finest examples of a Federal/State partnership to assist handicapped persons to lead productive lives is the Vocational Rehabilitation State Grant program. Well over 100,000 mentally retarded individuals receive Vocational Rehabilitation services each year. This program, which rehabilitates for employment over 40,000 mentally retarded persons annually, is strongly supported by the ARC.

Those 40,000 individuals will, we hope, live out their lives as taxpayers and not become dependent on costly government benefits. Given our nation's economic problems, converting tax dependents into taxpayers should be a very high priority. That's exactly the mission of the Vocational Rehabilitation program. Yet, thousands of mentally retarded people are not able to participate in this program due to the shortage of funds.

Handicapped people want to be trained to work. Many more mentally retarded people could work if allowed the opportunity to be trained. It is sad that even one handicapped person is denied an opportunity for employment. It is vital, therefore, that the Vocational Rehabilitation State Grant program receive an adequate increase in fiscal year 1985. We strongly recommend appropriating $1,117,500,000 in fiscal year 1985 to allow an additional several thousand waiting handicapped citizens to receive vocational rehabilitation services.

The ARC is placing high priority this year in obtaining Federal funding, for the first time, for the Independent Living State Grant program (Part A of Title VII of the Rehabilitation Act). This program would serve those severely handicapped individuals who do not qualify for the Vocational Rehabilitation State Grant program due to the severity of their disability. Such individuals have extremely limited resources available to them and few, if any, opportunities for basic skills training and other services necessary for day-to-day living. We strongly recommend funding Part A Independent Living Services and continuing to fund the Part B Independent Living Centers Projects. A $49 million appropriation for fiscal year 1985 is justified on the basis of:

- a reasonable initiation of the Part A Comprehensive Services State Grant Program;
- the continuation of ongoing efforts with Centers for Independent Living (Part B); and
- start up for the Part C Older Blind Individuals program.

The Part A portion of the Independent Living program has never been launched due to the unavailability of appropriated funds. If all fifty states receive the minimum allotment of $200,000, approximately $10.5 million is necessary. In order to launch the program equitably in the more populous states, an appropriation of approximately $25 million is suggested. That level of funds would provide approximately one-third of the states with the minimum allotment, with the remaining, more populous states, receiving a larger proportional share. We recommend $22 million for Part B Independent Living Centers, which represents a slight increase to compensate for inflation. The remaining $2 million would be used to initiate the Part C Older Blind program.

The National Institute of Handicapped Research promotes and provides funds for needed research in the field of rehabilitation. Three Mental Retardation Research and Training Centers are funded through NIHR. Numerous other NIHR funded projects impact on the prevention and amelioration of mental retardation. The ARC strongly supports the activities of the NIHR and recommends a fiscal year 1985 appropriation of $40 million.

Another vital rehabilitation program component is training. Since disabled individuals undergoing rehabilitation require individualized programing, it is critical that well trained professionals deliver a wide range of services. The rehabilitation field is quite diverse, thereby requiring varied professional skills. The ARC urges the Congress to appropriate $27 million for Rehabilitation Training in fiscal year 1985.

Developmental Disabilities

The four programs contained in the Developmental Disabilities Act are aimed at filling large gaps in services, expanding and improving currently available services and planning and coordinating the multitude of programs needed at various and specific times in the lives of developmentally disabled individuals. Services under this Act are crucial to that segment of the disabled community who require such services throughout much, if not all, of their lifetimes, starting at or near birth and lasting until death.

The Developmental Disabilities State Grant focuses on the vital priorities of case management, early childhood development, alternative community living arrangements, non-vocational social developmental services, as well as other priorities identified in each state. This program has not grown in over 5 years. The ARC recommends a $55 million appropriation for the Developmental Disabilities State Grant program in fiscal year 1985 to enable the states to serve more developmentally disabled individuals and possibly prevent costly institutionalization.

We also urge a substantial increase in the Developmental Disabilities Protection and Advocacy System appropriations. This system, still in its infancy, is oftentimes the sole entity available in the states to protect the rights of these very vulnerable citizens. The systems are now extremely overloaded with case work and must be expanded. The ARC strongly urges the Congress to appropriate $15 million for the Developmental Disabilities Protection and Advocacy Systems

University Affiliated Facilities (UAF's) provide an important professional training resource to the field. They are essential to maintain qualified professionals of various types needed to treat and train developmentally disabled individuals. This program should be funded at its fully authorized level of $7.8 million.

The Developmental Disabilities Special Projects program provides essential and long-neglected technical assistance to the field and funds innovative demonstrations to stimulate program development. We recommend funding this program at $5 million.

Social Services

Title XX of the Social Security Act is a primary source of financing of community-based services for mentally retarded people. At least 10% - 15% of the Title XX Social Services funds are expended by the states on services for handicapped citizens. The ARC recommends this program be funded at the fully authorized level of $2.7 billion. In the event the Congress raises the Title XX ceiling for fiscal year 1985, the ARC further recommends that the increased level be fully funded.

Finally, Mr. Chairman, the ARC wishes to call to your attention and submit for the record an Analysis of the President's FY 1985 Budget Proposals and Recommended Appropriations Levels Relating to Programs for People with Developmental Disabilities. This comprehensive document, prepared by the Consortium for Citizens with Developmental Disabilities, represents the views of 28 major national disability organizations. It contains recommendations for programs in the Departments of Labor, Health and Humans Services and Education.

SUMMARY OF ARC RECOMMENDATIONS FOR THE DEPARTMENT OF EDUCATION PROGRAMS

Program	FY '84 Appropriations	FY '85 Admin. Request	FY '85 ARC Recommendation
Education for the Handicapped			
State Grant	1,068.8	1,068.8	1,334.8
State Operated Schools	146.52	146.52	155.31
Preschool Incentive	26.33	26.33	36.31
Early Childhood Programs	21.1	21.1	27.1
Personnel Development	55.54	37.6	61.15
Transition Services	6.	6.	6.33
Vocational Rehabilitation			
State Grant	1003.9	1003.9	1,117.5
Independent Living	19.4	21.	49.
National Institute of Handicapped Research	36.	30.06	40.
Training	22.	5.	27.
DEPARTMENT OF HEALTH AND HUMAN SERVICES PROGRAMS			
Developmental Disabilities			
State Grant	43.75	45.4	55.
Protection and Advocacy Systems	8.4	8.4	15.
University Affiliated Facilities	7.413	7.8	7.8
Special Projects	2.447	2.6	5.
Social Services	2,675.	2,700.	2,700.

Senator PROXMIRE. Mr. Gray, go right ahead.

Mr. GRAY. I am Vincent C. Gray, I am representing the Association for Retarded Citizens, a national organization composed of 1,600 local and State units and approximately 200,000 members, about one-half of whom are parents of mentally retarded offspring.

I am the executive director of the District of Columbia Association for Retarded Citizens, an organization which provides vocational and residential services to approximately 700 mentally retarded persons annually.

Beyond this, we direct a Surrogate Parent Program authorized by Public Law 94–142, operate a Pilot Parent Program, and serve as monitor for the court-ordered consent decree concerning Forest Haven, the District of Columbia's institution for mentally retarded people.

The ARC wishes to reinforce one basic message to the Congress and to this committee: Federal funds, wisely invested now in the education and training of mentally retarded and other disabled people, will forestall or reduce certain expectable but oftentimes unnecessary burdens on American taxpayers.

Mental retardation is a lifelong disabling condition which affects over 6 million Americans in varying degrees, ranging from mild to profound retardation.

In many cases a continuum of services through the life of the individual is essential for that person to survive, but with the proper training and support services most retarded persons will become employed and lead productive lives in their communities.

Basic services such as early intervention, special education, and vocational rehabilitation are essential to prevent unwarranted and costly institutionalization.

The Federal Government plays a vital role in assisting States, local governments, and private agencies to provide this array of necessary services. Most programs serving mentally retarded citizens, while being spared huge cutbacks by this administration, have not grown to meet the demand. In real purchasing power, most of the major programs serving disabled individuals are operating at a level below that of 1979.

Again, this year the administration's budget request for these programs has held at last year's level, not even allowing for inflation.

Almost 800,000 mentally retarded children receive public school special education, constituting approximately 20 percent of the entire school age handicapped population. To the parents of these children the Education For All Handicapped Children Act not only guarantees an appropriate education but also provides hope for a real future.

Knowing the severe financial difficulties faced by school systems throughout the country, our members are fearful the quality of, if not the access to, a meaningful education is threatened.

Many remember the all too recent day when the doors of public schools were closed to their mentally retarded children. We cannot allow that to happen again.

The ARC strongly urges the committee to appropriate $1,334,800,000 for the Public Law 94–142 State grant, thus restoring a 12-percent excess cost reimbursement level which was evident in the late 1970's.

The ARC is very excited over the possibility offered by the new transition program authorized by Public Law 98–199. We must continue to expand our efforts to train and employ our aging special education students. We recommend then an appropriation to the fully authorized amount of $6.33 million for this program.

One of the finest examples of a Federal/State partnership to assist disabled persons to lead productive lives is vocational rehabilitation. Well over 100,000 mentally retarded individuals receive vocational rehabilitation services each year.

This program, which rehabilitates for employment over 40,000 mentally retarded persons annually, is strongly supported by the ARC.

Disabled people want to work. Many more mentally retarded people could work if allowed the opportunity to be trained.

It is vital, therefore, that the Vocational Rehabilitation State Grant Program receive an adequate increase in fiscal year 1985. We strongly recommend appropriating $1,117,500,000 to allow an additional several thousand waiting disabled citizens to receive these services.

The ARC is placing high priority this year on obtaining Federal funding for the first time for the Independent Living State Grant Program, part A of title VII of the Rehabilitation Act.

This program would serve those severely disabled people who do not qualify for the Vocational Rehabilitation State Grant Program due to the severity of their disability. Such individuals have extremely limited opportunities available for basic training and other services necessary for day-to-day living.

We strongly recommend funding part A, independent living services, and continuing to fund the part B, independent living centers projects. A $49 million appropriation for fiscal year 1985 is justified to provide for a reasonable initiation of the part A program, continuation of ongoing efforts with centers for independent living under part B, and startup for the part C Older Blind Individuals Program.

The last program I want to address is the Developmental Disabilities State Grant Program, which focuses on critical priorities.

This program has not grown in 5 years. The ARC recommends a $55 million appropriation for the Developmental Disabilities Program in fiscal year 1985 to enable States to serve more developmentally disabled individuals and prevent costly institutionalization.

We also urge a substantial increase in the developmental disabilities protection and advocacy systems appropriation. This system, still in its infancy, is oftentimes the sole entity available in the States to protect the rights of these very vulnerable citizens. The systems are now extremely overloaded with casework and must be expanded.

The ARC strongly urges the Congress to appropriate $15 million for the developmental disabilities protection and advocacy systems.

In concluding, Senator, I would like to commend to your attention and that of the committee, and would submit it for the record, an analysis of the President's fiscal year 1985 budget proposals and recommended appropriation levels relating to programs for people with developmental disabilities. This comprehensive document was developed by 28 major national disability organizations and we believe reflects what is an appropriate funding for fiscal year 1985 for these programs.

Thank you for the opportunity to be here today.

Senator PROXMIRE. Thank you very much for your testimony, Mr. Gray.

I am sure the chairman regrets he could not be here because he is a great supporter of the programs that you are testifying on, as you know. I am sure he will give the subcommittee, the committee, and the Senate very strong leadership in this respect.

STATEMENT OF DR. MARK SHIBLES, DEAN, SCHOOL OF EDUCATION, UNIVERSITY OF CONNECTICUT, STORRS, CT, ON BEHALF OF THE AMERICAN ASSOCIATION OF COLLEGES FOR TEACHER EDUCATION; THE ASSOCIATION OF COLLEGES AND SCHOOLS OF EDUCATION IN STATE UNIVERSITIES AND LAND GRANT COLLEGES; THE TEACHER EDUCATION COUNCIL OF STATE COLLEGES AND UNIVERSITIES; AND THE ASSOCIATION OF INDEPENDENT LIBERAL ARTS COLLEGES FOR TEACHER EDUCATION

PREPARED STATEMENT

Senator PROXMIRE. Our next witness is Dr. Shibles, dean of the School of Education at the University of Connecticut.

I'm sorry that the chairman couldn't be here, inasmuch as he's your own Senator, but I guess you don't have to work as hard to convince him as much as you do to convince some of the rest of us.

I spent 4½ years in Connecticut, and I have a daughter living up there now, who is married to a doctor, so I've got an interest in your cause too.

[The statement follows:]

STATEMENT OF DR. MARK SHIBLES

Mr. Chairman, members of the Committee, I am Dr. Mark Shibles, Dean of the school of education at the University of Connecticut at Storrs. I am pleased to be with you this morning to share our concerns about proposed appropriation cuts for federally supported programs to prepare and upgrade teachers, with particular attention to those supported through Part D of the Education of the Handicapped Act.

I am speaking this morning on behalf of the American Association of Colleges for Teacher Education, the Association of Colleges and Schools of Education in State Universities and Land Grant Colleges, the Teacher Education Council of State Colleges and Universities, and the Association of Independent Liberal Arts Colleges for Teacher Education. Collectively our member institutions prepare over 90% of all new teachers and are a major provider of professional development activities for career educators.

Education of the Handicapped

Unlike most other education programs, federal support for college and university based teacher education is not located in one statute or title. Rather, modest resources for training and professional development programs are incorporated into a number of elementary-secondary and higher education laws. Illustrative of this is Part D of the Education of the Handicapped Act. Through Part D, schools, colleges and departments of education have been able to prepare many needed special education teachers as well as to provide programs for all teachers to enable them to teach handicapped children in regular classrooms.

Adequate preparation of personnel to teach handicapped children remains a pressing need. There is a gap between personnel supply and demand that shows every indication of widening rather than diminishing. Figures from the Education Department's Special Education Programs Office show that approximately 22,000 new special educators are expected to graduate from higher education programs in 1983-84, however, the current rate of attrition among practitioners in the field is about 25,000 each year. Consequently, even if no additional handicapped children entered our school systems, we still would not have enough professional teachers for these classrooms.

Clear as these figures are about the need for additional special education teachers they tell only part of the story. The numbers of positions that go begging for qualified special educators may be quantified. What cannot be as easily measured is the adequate preparation of classroom teachers who teach most handicapped children in regular settings. Because these are the professionals who are ultimately responsible for teaching a handicapped child in the least restrictive environment, they must be properly prepared to meet the needs of those children. The preservice preparation of regular educators and administrators to serve handicapped children is critical. We would urge this Committee to voice its opinion clearly that this dimension must be an integral part of a teacher's and adminstrator's preparation and that it should be central rather than peripheral in priority decisions. We urge this Committee to take two specific actions:

1. The 32% reduction proposed in the Administration's FY 1985 Budget for Part D would seriously erode any possibility of preparing an adequate number of instructional personnel. Funding levels should be restored to at least the FY 1980 level ($55.0 million).

2. Include report language affirming the need for preservice programs to prepare both special education teachers and regular educators

to work with handicapped children in their classrooms. Inservice education for teachers is essential, and we applaud the Administration's initiative to provide training programs for parents and volunteers. But neither of these important priorities should be at the expense of preservice programs for both regular and special education teachers.

Mr. Chairman, because my time before this committee is limited and the reductions in part D so great I have focused my remarks on this area. However, several other programs designed to help prepare needed teachers and foster their professional growth have suffered similar cuts. I will briefly note three:

Bilingual Education

Through Title VII of the Elementary and Secondary Education Act, small grants have been available to prepare teachers and teacher trainers for the education of limited English proficient children. The Administration's FY 1985 budget proposes a 22% reduction in this core activity. At a time when such a large segment of our school population need language assistance to succeed in school it is essential that funds to prepare qualified teachers be restored. We recommend minimum funding for this activity be set at FY 1984 levels ($32.6 million).

Vocational Education

During recent months both houses of Congress have heard debate over reauthorization of the Vocational Education Act. While broad and specific goals of vocational education were discussed, little attention has been was paid to the preparation of vocational education teachers. Part B of the current Vocational Education Act has provided modest sums for fellowships, teacher training and retraining, and research in vocational education. Historically funded between $7 million and $10 million, this year's budget proposes its elimination. We urge the Committee to restore Part B, Programs of National Significance, to its previous $10 million appropriation level.

National Institute of Education

Undergirding and supporting these programs are research efforts through the National Institute of Education. Conducted in institutions of higher education, centers, and regional education laboratories by college and university faculty and individual scholars, NIE supported research has helped move forward our understanding of teaching and learning. This research has been used in elementary and secondary schools to improve reading comprehension and classroom management, and to provide direct instruction in basic skills. Unlike our research colleagues in science, engineering and the arts, relatively little educational research is supported by outside sources. Consequently, when federal funds for these research opportunities are insufficient, scholarly work often cannot continue. We are pleased that the Administration has decided to begin to restore some of the funds cut from the NIE budget in recent years. We urge that this Committee to fund the Institute at the $54.2 million level requested by the Administration in order to support new initiatives generated by recent reports on education.

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A more detailed analysis of funding levels for selected statutes with teacher education components is attached as an appendix to my testimony and I would ask that it be included with my statement as part of the record of this hearing. If there are any questions I can answer for you I would be pleased to do so.

TEACHER EDUCATION

Background

Unlike most other education programs, federal support for college and university based teacher education is not located in one statute or title. Rather training and professional development programs are incorporated into a number of elementary-secondary and higher education laws.

Within the Higher Education Act, Title V was created to provide modest grants for institutions of higher education to conduct teacher training and retraining. The consolidation of Title V programs into Chapter II of ECIA essentially eliminated the federal government's commitment to teacher training under HEA.

Limited federal support for teacher education, professional development and research activities, conducted by institutions of higher education, is available under provisions in ECIA, ESEA, EHA and VEA. An analysis of these programs follows.

PROGRAM TITLE: Education Consolidation and Improvement Act
(P.L. 97-35, Title V, Subtitle D, Chapter 2)

PURPOSE: To improve the quality of elementary and secondary education for children in public and private schools through grants to SEAs and LEAs for basic skills development, educational improvement, support services, or special projects.

WHO RECEIVES FUNDING: Under this Act, 42 categorically funded educational programs were consolidated into a single grant to the states. 20% of the funds allocated to the states are reserved for SEAs with the remaining 80% allocated to LEAs. Institutions of higher education are eligible recipients of Chapter 2 grants from SEAs or LEAs. Of the 42 antecedent programs now part of ECIA, 11 contained provisions to fund educational personnel development activities--inservice or preservice teacher or administrator training. In 1981 funding for these 11 programs alone totaled $219,235,000. Of that amount 34%, or $74 million, was used for personnel development programs conducted almost entirely at, or cooperatively through, schools, colleges and departments of education.

KINDS OF ACTIVITIES SUPPORTED: The programs consolidated into this block grant include: Basic Skills, Curriculum Development and Improvement, Emergency School Aid, School Libraries and Media Centers, Guidance and Counseling, Gifted and Talented, Early Childhood Education, Community-Based Education, Alcohol and Drug Abuse, Staff Development/Inservice Education, Youth Employability, Secondary Schools, Citizenship Education.

FUNDING HISTORY/IMPACT:

Fiscal Year	Appropriation	+/-Percentage Change
1981	$600,846,000	
1982	$470,400,000	-21.7%
1983	$479.420,000	-20.2%
1984	$479,420,000	-20.2%
1985 Proposed	$729,879,000	+21.5%

Reductions in ECIA Chapter 2 funds, inclusion by Congress of additional programs eligible for Chapter 2 monies (citizenship education), and state and local education agency decisions not to allocate resources for preservice and inservice teacher education have resulted in the elimination of almost all teacher training formerly funded through Chapter 2 programs. Consequently, although the Adminstration's FY 1985 budget request for Chapter 2 represents an increase over previous appropriations, it does not approach the level needed to adequately fund authorized activities. Further, absent clear federal direction, there is little incentive for LEAs or SEAs to use Chapter 2 funds for teacher training and professional development programs.

PROGRAM TITLE: Territorial Teacher Training Assistance
(P.L. 95-561, Sec. 1525)

PURPOSE: To provide Federal assistance for training of teachers in schools in Guam, American Samoa, Commonwealth of Northern Mariana Islands, The Trust Territory of the Pacific Islands, and the Virgin Islands.

WHO RECEIVES FUNDING: SEAs alone or SEAs in conjunction with institutions of higher education.

KINDS OF ACTIVITIES SUPPORTED: Inservice training in basic skills or special subject areas; curriculum development; use of instructional materials or equipment; training of teachers to meet certification requirements.

FUNDING HISTORY/IMPACT:

Fiscal Year	Appropriation	+/- Percentage Change
1981	$1,800,000	
1982	$ 960,000	-47.8%
1983	$ 960,000	-47.8%
1984	$1,000,000	-44.0%
1985 Proposed	$ - 0 -	-100.0%

Slated by the Administration for inclusion in ECIA during FY 1983, Territorial Teacher Training Assistance was retained as a separate categorical program with a 47.8% funding reduction. In 1985 the Administration has proposed zero funding. An estimated 2,000 teacher inservice opportunities will be terminated if this program is discontinued.

PROGRAM TITLE: Programs of National Significance
(Vocational Education Act, Part B, Subpart 2)

PURPOSE: To conduct applied research and development on problems of national significance in vocational education; to provide leadership development awards to undergraduate and graduate vocational education students.

KINDS OF ACTIVITIES SUPPORTED: Research in vocational education; dissemination of results of research and development projects; evaluation and follow-up studies; support for experienced vocational educators to spend full time in advanced study of vocational education; support for teachers certified in other fields to become vocational educators; and provision of opportunities for other students to become vocational educators.

FUNDING HISTORY/IMPACT:

Fiscal Year	Appropriation	+/- Percent Change
1981	$7,477,000	
1982	$8,197,000	+9.6%
1983	$7,678,000	+2.6%
1984	$8,178,000	+9.3%
1985 Proposed	$ - 0 -*	-100.0%

*The Administration has proposed consolidating existing Vocational Education Programs into a system of state grants with a small, unspecified amount to be setaside for projects of national concern.

Shortages of qualified vocational education teachers and reductions in educational research funds in other Federal programs make reductions in this program unacceptable.

PROGRAM TITLE: Special Education Personnel Development
(Education of the Handicapped Act, Part D)

PURPOSE: This discretionary program, which began in 1966, provides funds to promote an adequate supply of qualified special education and support personnel, the development of innovative training models, and special education training for regular educators. This last purpose assists institutions of higher education in providing preservice/inservice training for non-special education teachers to assist them in mainstreamed classrooms.

WHO RECEIVES FUNDS: Institutions of Higher Education, SEAs, LEAs, and other non-profit organizations.

FUNDING HISTORY/IMPACT:

Fiscal Year	Appropriation	+/-Percentage Change
1981	$43,500,000	
1982	$49,300,000	
+13.3%		
1983	$49,300,000	+13.3%
1984	$55,540,000	+27.7%
1985 Proposed	$37,640,000	-13.4%

Increases in Part D funds between FY 1981 and FY 1983 were gained by Congressional rather than Administration initiatives. These increases restore only in part the funds cut from this program between FY 1980 to FY 1981. Reductions in Part D will hamper attempts to meet shortages of qualified special education personnel as well as to provide training needed by regular educators who are assuming increased responsibility for handicapped children mainstreamed into their classrooms.

PROGRAM TITLE: Bilingual Education Act
(Title VII of the Elementary and Secondary Education Act, Section 723, Training)

PURPOSE: To prepare personnel to participate in bilingual education programs, or to provide additional training for personnel participating in the conduct of these programs, specifically teachers, counselors, administrators and paraprofessionals.

WHO RECEIVES FUNDING: Title VII, Section 723 is a discretionary program. Funds are awarded through training grants to approximately 130 universities to support over 5,000 stipends.

FUNDING HISTORY/IMPACT:

Fiscal Year	Appropriation	+/-Percentage Change
1981	$32,075,000	
1982	$28,836,000	-10.0%
1983	$31,288,000	-2.4%
1984	$32,610,000	+1.6%
1985 Proposed	$25,000,000	-22.0%

Funding for bilingual teacher training has steadily declined while the number of children requiring services has increased. This is further complicated by a critical undersupply of qualified bilingual education teachers.

PROGRAM TITLE: Mathematics & Science Education
(Proposed)

PURPOSE: Improve the quality of secondary level science and mathematics teachers through block grants to the states to be used for scholarships to train or retrain secondary school teachers.

FUNDING HISTORY:

Fiscal Year	Appropriation	+/- Percentage Change
1981	- 0 -	
1982	- 0 -	
1983	- 0 -	
1984	$50,000,000*	+100%
1985 Proposed	$50,000.000	

The shortage of qualified teachers in many subject areas is well documented. To address only one aspect of the problem, and provide insufficient resources for its successful resolution only masks more serious problems.

*Legislation to authorize a Mathematics and Science Education Act has been passed in the House and is pending in the Senate. These bills recommend a $425 million authorization level.

CONTACT: Penny Earley, Director, Federal and State Relations, American Association of Colleges for Teacher Education (202) 293-2450

Dr. SHIBLES. I'm Dr. Mark Shibles, dean of the School of Education at the University of Connecticut.

I am pleased to be with you here this morning to share several of our concerns about proposed appropriation cuts for federally supported programs to prepare and upgrade teachers, with particular attention to those supported through part D of the Education of the Handicapped Act.

In this testimony this morning, I am representing the American Association of Colleges for Teacher Education, the Association of Colleges and Schools of Education in State Universities and Land Grant Colleges, the Teacher Education Council of State Colleges and Universities, and the Association of Independent Liberal Arts Colleges for Teacher Education.

Collectively, our member institutions prepare over 90 percent of all new teachers and are a major provider of professional development activities for career educators.

Since I have provided written testimony to the committee, I will limit my comment to those of a very brief summary nature.

Adequate preparation of personnel to teach handicapped children remains a pressing need. There is a gap between personnel supply and demand that shows every indication of widening rather than diminishing.

Figures from the Education Department show that approximately 22,000 new special educators are expected to graduate from higher education programs this year. However, the current rate of attrition among practitioners in the fields is about 24,000 each year. Consequently, if no additional handicapped children enter our school systems, we still would not have enough professional teachers for these classrooms.

Clear as these figures are about the need for additional special education teachers, they tell only part of the story. The numbers of positions that go begging for qualified special educators may be quantified. What cannot be as easily measured is the adequate preparation of classroom teachers who teach most handicapped children in regular settings. Because these are the professionals who are ultimately responsible for teaching a handicapped child in the least restrictive environment, they must be properly prepared to meet the needs of those children.

We would urge this committee to voice its opinion clearly that this dimension must be an integral part of a teacher's and administrator's preparation and that it should be central rather than peripheral in priority decisions.

We urge this committee to take two specific actions: One, the 32-percent reduction proposed in the administration's fiscal year 1985 budget for part D would seriously erode any possibility of preparing an adequate number of instructional personnel.

Funding levels should be restored to at least the fiscal year 1980 level.

Two, include report language affirming the need for increased service programs to prepare both special education teachers and regular educators to work with handicapped children in their classrooms.

In-service education for teachers is essential, and we applaud the adminstration's initiative to provide training programs for parents and volunteers. But neither of these important priorities should be at the expense of preservice programs for both regular and special education teachers.

I focused most of my remarks on part D, and I have just a few comments on several other programs.

Through title VII of the Elementary and Secondary Education Act, small grants have been available to prepare teachers and teacher trainers for the education of limited English proficient children. The administration's fiscal year 1985 budget proposes a 22-percent reduction in this activity. At a time when such a large segment of our school population needs language assistance to succeed in school, it is essential that funds to prepare qualified teachers be restored. We recommend minimum funding for this activity be set at fiscal year 1984 levels, which was $32.6 million.

Part B of the current Vocational Education Act provided modest sums of fellowships, teacher training and retraining, and research in vocational education. Historically funded between $7 million and $10 million, this year's budget proposes its elimination. We urge the committee to restore part B to its previous $10 appropriation level.

National Institute of Education-sponsored research has been used in elementary and secondary schools to improve reading comprehension and classroom management and provide direct instruction in basic skills. Unlike our research colleagues in science, engineering, and the arts, relative little educational research is supported by outside sources. Consequently, when Federal funds for these research opportunities are insufficient, scholarly work often cannot continue. We urge this committee to fund the Institute at the $54.2 million level requested by the administration in order to support new initiatives generated by recent national reports on education.

A more detailed analysis of funding levels for selected statutes in teacher education components is attached as an appendix to my written testimony, and I would ask that it be included with my statement as part of the record of this hearing.

Senator Proxmire. Without objection, it will be done.

Dr. Shibles. Thank you, sir.

Senator Proxmire. Thank you very much for your excellent statement. We very much appreciate it, and I appreciate the documentation you have provided also.

STATEMENT OF JOHN E.D. BALL, PRESIDENT, NATIONAL CAPTIONING INSTITUTE

PREPARED STATEMENT

Senator Proxmire. Our next witness is John Ball, president, National Captioning Institute.

[The statement follows:]

STATEMENT OF JOHN E.D. B

The National Captioning Institute (NCI) is the nonprofit, tax-exempt, and single-purpose corporation which provides the new and demonstrably effective mainstreaming service for hearing-impaired people called "closed-captioned television." NCI was established in 1979, in the public interest, under an agreement between the U.S. Government, the commercial television networks and public television to provide closed-captioned television services to the nation's television broadcasters to enable disabled citizens to have access to television. Its initial funding came from grants from the Federal government furnished on a declining basis through December 1982. Revenues for closed captioning now come to NCI from fees paid by ABC-TV, public television, CBS/Fox home video and program sponsors; grants by private-sector contributors; and contracts with the Federal government, as part of the Congressionally mandated program of the Department of Education.

Closed-captioned television is a technique that permits the dialogue of television programs to be depicted as captions (or subtitles) in a fashion that allows them to be broadcast in an invisible form. The captions are only visible in homes equipped with a special decoder which produces them directly on the screen of the television set. Closed-captioned television decoders, commonly referred to as Line 21 decoders, can be purchased from Sears, Roebuck & Company and other retail outlets for approximately $280. Currently, approximately one-third of a million viewers in about 80,000 homes have access to the service. This reflects a financial investment of over $25 million by hearing-impaired families. On average, approximately 40 hours of television programs are closed captioned every week.

NCI and its closed-captioned television service have enjoyed strong bipartisan support of Congress during the past five years. That support has been most strong through the actions taken by this Committee. Federal funds have been the mainstay of the service. In FY 1982, the Department contracted for $1.2 million of programs and in FY 1983, $686,000. For FY 1984, the Committee increased the Instructional Media (Part F EHA) appropriation to $14 million. This represented an increase of $2,500,000 over the President's FY 1984 proposed budget of $11,500,000. NCI understands that the Department of Education plans to allocate all of these additional funds to expand the volume of programming. Accordingly, NCI anticipates that approximately $3,500,000 of the Instructional Media (Part F EHA) FY 1984 funds will be spent on closed-captioned television services.

For the past several years, authorizations for the Instructional Media Program for the Handicapped (Part F EHA) have approximated $20 million. Last year Congress passed a new Education of the Handicapped Act (P.L. 98-199), authorizing $19 million for FY 1984, $20 million for FY 1985, and $21 million for FY 1986 for captioning and other media and technology activities.

NCI shares in the concern about the mounting deficits and the difficult decisions Congress must make. We do not wish to make your job any more difficult in bringing forward an acceptable appropriations bill. Notwithstanding these concerns, we believe that an appropriation in the full amount of the FY 1985 authorization of $20 million could be effectively and productively spent. We are concentrating, however, on requesting an increase over the $3.5 million recommended for closed-captioned television within the President's FY 1985 budget proposal for the Instructional Media program.

We are requesting a FY 1985 increase for the closed-captioned television service of $1,650,000 which will bring the level of support to $5,150,000. The $5,150,000 is requested for the following purposes:

1. $2.7 million to maintain the volume of Federally funded closed-captioned television programs in FY 1985 at the level anticipated to be supported with FY 1984 funds.

Approximately 27 hours per week of closed-captioned television programs are expected to be funded with FY 1984 funds under NCI contracts with the Department of Education. This basic Federal support of the service must be maintained under the FY 1985 appropriations if NCI is to continue to build the private sector support that is essential to the service achieving self-sufficient status.

National surveys conducted by NCI reflect the need for a substantial increase in the volume of closed-captioned programs. Last year, more than 50 corporations invested over $500,000 to help assure that hearing-impaired people have access to the educational and informational benefits afforded by television. NCI recently established a CAPTION CLUB through which hearing-impaired individuals, families and organizations were invited to voluntarily contribute of their funds towards increasing the amount of closed-captioned television programs. Almost $70,000 has been contributed to date by over 2,000 hearing-impaired citizens and groups. These funds will be used by NCI, on a matching basis, with contributions from the television industry and the corporate community, to provide additional closed-captioned television programs starting in the fall of this year. Surely this is clear evidence of the hearing-impaired community's enthusiastic support of the closed-captioned television service and its desire to see it expanded.

The Secretary of Education said recently:

> "We often give too much lip service to concepts like 'partnerships,' 'seed money,' 'private sector,' 'self-sufficiency,' 'pilot programs,' and 'contracts instead of grants.' In the case of NCI you have proved the skeptics and cynics wrong. You have created many exciting partnerships with the private sector including Aetna Life & Casualty, Connecticut Mutual Life Insurance, Prudential Insurance, The Travellers Corporation, and over 200 major advertisers. They are all a credit to the willingness of America's business and industry community to work cooperatively with Government (Executive Branch and Congress) in order to help solve a serious domestic problem that was long overlooked if not largely ignored."

NCI firmly believes that this coalition of public and private sector support is working and growing. If the public sector continues to play its crucial role, this will validate the increasing participation and support of the private sector.

2. $1.5 million to facilitate the development and manufacture of a second generation Line 21 decoder.

In the late 1970's the Federal government, through the Department of Education, funded the development and manufacture of the first generation of Line 21 decoders. This facilitated the production of 100,000 consumer units. The supply of these units will be exhausted by the end of the year. Recent advances in technology offer the opportunity for a lower priced unit to be developed and manufactured. Such a unit could be manufactured for approximately $100. This would bring the price of the unit into the range of many low-income households that have thus far found it to be beyond their economic means. A volume production of 50,000 units will obtain the needed economies of scale. In addition, underwriting the production cost by $30 per unit will be necessary if the $100 figure is to be realized. The Federal government is being asked to renew its earlier commitment by appropriating $1.5 million specifically for this purpose.

Based on consumer research studies, NCI has established that additional captioned programming, coupled with a reduction in the price of the consumer unit, are key to dramatically increasing the number of households that can access the closed-captioned television service. This dual effort will also make the service more attractive to the aged population, the reading handicapped and those who speak English as a second language.

3. $200,000 to conduct technical studies towards updating caption preparation equipment.

NCI's caption preparation equipment was designed primarily for pre-recorded programs and purchased in the late 1970's with Federal funds. However, increasing demands are being made by the Federal government, the television networks, program producers and the public for NCI to prepare captions in "real-time," i.e., for "live" programs. In addition, NCI is constantly pressured to maintain its captioned service rate at the current level of $2,200 per program hour. NCI has not increased its rate since early 1981. This has precluded the building of a cost-effective and growing service. NCI has accumulated a considerable reservoir of unique experience during the past five years which now needs to be tapped to renew and improve its captioning services capability. It is critical that NCI undertake technical studies immediately if it is to be able to implement an improved capability to meet current and emerging service requirements.

4. $550,000 for increasing consumer awareness of the closed-captioned television service.

For any service to be utilized, the consumer first must be aware of it and second, must be aware of the benefits it offers. NCI estimates that some 80 percent of the total population is unaware of the service and indeed, 20 percent of the deaf population remains uninformed. The educational benefits of the service need to be widely and effectively publicized.

Promotional services for captioned programs, continuous market testing, consumer demand surveys, stimulating the interest of other consumer groups beyond the deaf, are all critical activities. Corporate and other private-sector support of the service must be pursued and developed if we are to relieve the Federal funding burden.

The conduct of these activities by NCI is absolutely essential to achieve the eventual financial independence of the closed-captioned television service.

5. $200,000 to conduct research to determine the potential educational benefits of closed-captioned television for prospective beneficiaries beyond the deaf population.

The closed-captioned television service was originally conceived and implemented as a technology that would reduce the isolation of hearing-impaired Americans. Evidence abounds that the service can meet this goal. However, there is significant empirical data that the service can do much more than that. Secretary Bell recently said ". . . in the not too distant future [the captioned service] . . . will have 140 hours [of programming per week] and an audience of tens of millions for the reading-impaired and the non-English speakers. . . ."

Mr. Chairman, we appreciate the unwavering support of you and your colleagues on this Committee in providing the financial and moral support necessary to bring closed-captioned television to all Americans who happen to be handicapped in one way or another, in varying degrees, by an auditory, neurological or societally induced disability.

In December 1982, in your statement supporting "Closed-Captioned Television Month" you provided a great service by describing closed captioning as a revolution in the use of TV media for people who are hearing impaired. In supporting the captioning service, the passage of that resolution, J.R.258, you called attention to the need to develop its full potential for all people and the need to call the attention of the general public to this service as part of the American commitment to permit equal opportunity for all its citizens.1/

1/ Congressional Record, December 3, 1982, Vol. 128, No. 140, Designation of December 1982, as "National Closed-Captioned Television Month."

Others are joining in this effort as they recognize the prospect of using the picture with the written word to teach the retarded, the learning disabled and others who have troubles learning to read through the usual process.

The service provided by the National Captioning Institute is a demonstration of an effective public-private partnership acting to serve the needs of handicapped Americans. In cooperation with the leadership at the Department of Education, we are working to increase the benefits of the closed-captioned television service. In addition, NCI maintains linkages with broadcasters, networks and others involved in the communications world. We also maintain close relations with business leaders through our Board of Directors and our Corporate Advisory Council, and with those we are charged with serving through various hearing-impaired community groups, including our Consumer Advisory Board (lists attached).

We respectfully submit to you that the proposed FY 1985 $3.5 million allocation to closed-captioned television within the Media Services and Captioned Films Programs of the Department of Education can help us to maintain the service, but is clearly inadequate to make the advances we all envision. We are requesting the $1,650,000 beyond that sum for the purposes of expanding and improving the service to begin to meet the true expectations and needs of the American public. The bottom line, Mr. Chairman, is simply this: We have and will continue to pursue alternative private and public revenue sources. Because of the limited size of our viewership the closed-captioned television service is far from an attractive investment from the standpoint of the commercial market. There is no state or local government body which can, or will fund this service. Current private foundation sources are extremely limited. Mr. Chairman, we turn to you and your colleagues in the Senate and House and ask you and your authorizing committees to take a new look at the levels of funding which are required to preserve and strengthen this service for all handicapped people.

Thank you very much for the opportunity to present this testimony.

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Mr. Ball. Good morning, Mr. Chairman.

Thank you for this opportunity.

Approximately 40 hours or about less than 5 percent of the television programming today is closed-captioned.

The device that's used to provide the service is this device. We call it the decoder. The attachment of this device to any television set produces subtitles. We call them captions.

As of today, about one-third of 1 million homes—one-third of 1 million viewers—have access to this service in over 80,000 homes.

Last year, Mr. Chairman, your committee authorized an additional $2.5 million to the Department of Education. As a result of that appropriation, there will be a significant increase in the amount of news and other programming provided on national television.

Senator Proxmire. May I ask you, is that instrument always needed in order to get the caption?

Mr. Ball. Yes, sir.

Senator Proxmire. What does the decoder cost?

Mr. Ball. It costs $280.

Senator Proxmire. $280?

Mr. Ball. Yes.

Senator Proxmire. Thank you, sir.

Mr. Ball. To date, the hearing-impaired population have invested about $25 million in this device. By the end of this year, it should approach close to $30 million. The service itself is clearly one of the most significant developments for the hearing-impaired of this country. As evidenced over the past 5 years in the deaf press and other newsletters and magazines, the fact is that closed-captioning has truly made television available for the first time.

Beyond the personal investment that goes beyond the rest of us in terms of buying TV sets, through the formation of the NCI Caption Club, over 2,000 individuals and clubs have subscribed to the National Captioning Institute to date, in a period of less than 6 months, about $70,000 toward the provision of the closed-captioned programs. Indeed, from your own State, Senator, the Wisconsin Association of the Deaf recently contributed $750 toward that. Our goal in that regard is to match that with corporate contributions and program-supplied contributions. During the last month we have been quite successful in that regard. Indeed, in the 5 years that NCI has been in business, we have moved from a 100-percent subsidy—Federal subsidy—to about 50 percent Federal subsidy.

The private sector revenues come from the networks, the advertisers, and from philanthropic foundations. We are a nonprofit organization. Recently, we established the Corporate Advisory Council for NCI and it has as its members many major corporations in the country. And they are working with us to, one, increase the amount of programs that will be provided to the hearing handicapped, but to also increase the number of homes that have access to the service.

Our targets in that regard are, one, during the next 5 years to go from the present 80,000 homes to an excess of 500,000 homes and also to substantially increase the volume of programming. The private sector, however, looks to the Federal Government for the encouragement and validation of their participation. And we do see the need for a continued Federal role, one, in maintaining the funding level necessary to provide the programming that is presently funded by the Government. That is more than matched by the private sector funding as of today, but, two, the Federal funds are necessary to conduct research that is mounting empirical evidence that this service is a valuable educational tool going well beyond the hearing handicapped to people that have reading disabilities, and others.

We need authoritative research to show that. And through this, we hope to make further Federal corporate and philanthropic support. Beyond this device itself, designed 5 years ago, there will be no more in inventory coming in this year with the exhausting of the initial $100,000 that we obtained in Federal support dollars, in order to design and manufacture.

We are asking in my written testimony for this committee to recommend about $1.5 million to assist in the development of a new device.

You asked a question, how much does it cost? It costs $280. Our retailers tell us to get the volume of sales, the device has to be reduced to under $200. So we need Federal support, in order to do that. We believe with that Federal support and with the support of our Corporate Advisory Council that we can reach our goal of about 500,000 homes over the next 5 years. And we believe in reaching that goal that we will obtain a level of support from the private sector that will considerably reduce the Federal burden.

So I urge you and the committee, Mr. Chairman, to make the recommendations as necessary to achieve those goals.

Senator PROXMIRE. Thank you very much, Mr. Ball. You make a very powerful case. We know that deafness is a serious problem for people in this age of television. I think you have demonstrated the importance of captioning very dramatically.

Thank you.

STATEMENT OF DR. VINCENT SCALIA, CHAIRMAN OF THE COUNCIL OF REGIONAL REHABILITATION CONTINUING EDUCATION PROGRAMS

PREPARED STATEMENT

Senator PROXMIRE. Our next witness is Dr. Vincent Scalia, chairman of the Council of Regional Rehabilitation Continuing Education Programs.

Dr. Scalia, it is very nice to have you here. You may proceed.

Dr. SCALIA. Thank you, Senator.

Senator, my name is Dr. Vincent Scalia. I am chairman of the Council of Regional Rehabilitation Continuing Education Programs.

The council represents rehabilitation educators and trainers who provide continuing education and postemployment training to upgrade skills and maintain the confidence levels of rehabilitation personnel working with the disabled.

I appreciate having the opportunity to testify before the committee and to submit our written statement for the record. I would like to embellish on that a little bit.

Senator PROXMIRE. Fine. Without objection, it will be printed in full in the record.

[The statement follows:]

STATEMENT OF DR. VINCENT SCALIA

Mr. Chairman and Members of the Subcommittee: My name is Dr. Vincent Scalia, Associate Professor of Rehabilitation Counseling at the University of Northern Colorado in Greeley, Colorado and Chairman of the Council of Regional Rehabilitation Continuing Education Programs. The Council of Regional Rehabilitation Continuing Education Programs represents rehabilitation educators and trainers who provide continuing education and post-employment training to rehabilitation professionals working with a portion of the estimated 36 million disabled Americans in our fifty states and five territories. These Americans with disabilities require professional assistance to remain or become employable and functionally independent. Economic stress is eroding our feeling of national community. Handicapped citizens as a group are being segregated from the national community by having significantly diminished opportunities to compete equally with the non-disabled to find employment and live independently.

The need for rehabilitation services delivered by competent professionals to equalize opportunities for the handicapped to compete with the non-disabled has never been greater. The time to reinforce our sense of national community is now. I am pleased to have the opportunity to testify before the Committee and to submit our statement for the record in support of full funding for rehabilitation, education, training and research.

Importance of Continuing Education, Pre-Service Training and Research to Rehabilitation.

The pace of advancement of knowledge in the field of vocational rehabilitation has been extremely rapid during the past three decades. As a result of research conducted, largely in federally funded programs, new medical advances, treatment modalities, diagnostic procedures, counseling and job placement techniques, facilities development, administrative and case management procedures have often been developed at a rate outstripping the busy practitioner to keep abreast of the most recent advancement in services. The combined effect of these advancements requires continuing education and training be provided to maintain a satisfactory level of professionally competent individuals who provide rehabilitation services.

The provision of these services to disabled persons is not only a fulfillment of their constitutionally guaranteed rights of "life, liberty, and pursuit of happiness," but also a sound economic investment in the future of America. Rehabilitation pays dividends both in increased human dignity and productivity in tax revenues from disabled persons who have become self-supporting, taxpaying citizens. As a nation we have committed ourselves to assisting the disabled by establishing in every state and territory rehabilitation programs jointly financed by federal and state funds. The federal/state programs have been both cost-effective and successful in stressing services instead of support, rehabilitation instead of relief, and training for useful work instead of prolonged dependency.

The professional rehabilitation practitioner is the pivotal staff member in the federal/state rehabilitation programs and rehabilitation facilities. The professional rehabilitation practitioner is responsible for aiding disabled individuals, appraising their abilities and interests, understanding their needs, adjusting to their handicaps and obtaining employment consistent with their capacities and capabilities. "Professional" is the key word. Professional indicates the practitioner is performing a needed function, knowledgeable and skillful, trained, ethical and involved in Continuing Education to keep abreast of the most recent advancements in service delivery. The professional rehabilitation practitioner must possess special knowledges and skills. These knowledges and skills are acquired through specialized training and Continuing Education.

The complementary relationship among research, pre-service training, continuing education and service has been successfully implemented since rehabilitation training was authorized by Congress in 1954. The result has been an impressive network of educational programs based in colleges and universities, continuing education programs and in-service training resources of the federal/state programs which are responsive to the continuing training needs of the practitioner and enable the practitioners to implement a comprehensive program of services for this nation's handicapped citizens.

Impact of Proposed Funding:

On behalf of disabled individuals and rehabilitation professionals, I wish to share with you the Council's concern for the future of rehabilitation education and training and the need of competently trained personnel. Our experience in the last thirty years and research evidence demonstrate without a doubt that trained rehabilitation professionals are essential for an effective, efficient service delivery system. Real dollars allocated to rehabilitation training have been reduced from $30.4 million in FY78 to $22 million in FY84, nearly a 28% decrease from the FY77-78 levels. The Administration has recommended a drastic cut of more than 77% in federal support from the current FY84 level of $22 million to $5 million for FY85. According to Department of Education budget briefing materials, at this reduced funding level the program would focus on "pre-service training which addresses identified shortages of rehabilitation personnel" and that support for in-service training and continuing education to upgrade knowledges and skills of current personnel, as well as institutional support, would be discontinued.

The federal/state rehabilitation program established under the Rehabilitation Act includes a careful balance of research, education and training and service delivery components, each of which strengthens and reinforces the others. The success of the rehabilitation program is dependent to a large degree on the availability and maintenance of competent personnel. Congressional recognition of and commitment to a strong rehabilitation training program indicate the congressional intent is not to curtail federal involvement in rehabilitation training, but to strengthen and improve the effectiveness of the program. The Administration's funding request runs counter to this intent and threaten the viability of rehabilitation training and the quality of services available to the disabled. The following areas are offered to demonstrate the impact of continuing education and training and the effect of the Administration's funding request to this effort.

1. Changes in legislation and regulations and advancements in technology, treatment and services delivery are frequent. Continuing education and in-service training programs have established a cost-effective, and comprehensive network nationally to address these issues as they occur and thereby keeping practitioners current with information and skills necessary to provide quality services. The Administration would eliminate funding and programs in this area. In order to maintain consistency of efforts to our disabled community each state would have to develop strong interest groups and generate their own revenues to support these programs.

2. $22 million was appropriated to rehabilitation training in FY84, roughly $12 million was for pre-service training with approximately $10 million directed toward continuing education and in-service training. Congress has authorized a funding level of $27 million for FY85. The Administration has requested $5 million for rehabilitation pre-service training only. Approximately 60% of the states have pre-service training programs and fewer than half of the rehabilitation counselors employed by state agencies have a master's degree (the professional pre-service training). Continuing education programs and in-service training are available in all 50 states and 5 territories. The Administration request would reduce the amount of training dollars from $12 million to $5 million severely curtailing pre-service training and completely eliminating continuing education and in-service training. Thus, the supply of trained personnel will be reduced by fewer graduates and the ability to upgrade the skills of employed personnel will be ignored, diminishing the quality of services to disabled citizens.

3. Continuing education efforts alone have contributed to the training of approximately 10,000 employed rehabilitation personnel in FY84. The Rehabilitation Services Administration's Rehabilitation Manpower Plan states "The upgrading of skills is at all times an important aspect of manpower supply and demand and the shortage of personnel who have been trained to their fullest contributes to any overall rehabilitation shortage." The Administration's FY85 budget request to eliminate federal support for continuing education and in-service training runs counter to this. Further, it should be noted that employers out of necessity continue to hire staff members without the preferred pre-service training indicating a need for a substantial investment in continuing education and in-service training.

4. The rapidly changing labor market is requiring rehabilitation practitioners to have more technical knowledge and information processing skills. Thousands of new jobs are projected for the 80's. Disabled individuals require their opportunities to be equalized so that they may compete with the non-disabled. This factor will require rehabilitation practitioners to have skills sufficient to utilize new methods of processing information to stay abreast of labor market trends and introduce people with disabilities into a rapidly changing workforce. Continuing education programs have a unique ability to respond rapidly to changes. Through it's cooperative national consortium network continuing education has worked toward forging a closer alliance between rehabilitation programs and private business and industry and other federal and state programs working with the disabled. The results of the national consortium network of continuing education programs are (a) the development of curriculums and instructional materials for use by continuing education, in-service and pre-service training in rehabilitation agencies and facilities, universities and colleges, business and industry; (b) increased training capability of continuing education, in-service and pre-service training programs and (c) increased coordination of training materials and resources across the nation resulting in a more efficient use of training monies. National authority over social concerns like vocational rehabilitation would assure that society as a whole makes rational, equitable decisions about issues that affect society as a whole. The Administration request would eliminate continuing education efforts designed to address our national community of disabled and place the financial burden on a state by state basis, a concept already proven to be ineffective financially and impossible operationally.

Recommendations:

The Council of Regional Rehabilitation Continuing Education Programs recommends that the Congress fully fund the Rehabilitation Training Program at $27 million in FY1985.

Justification and Summary:

Mr. Chairman, the Administration has recommended funding levels which are devastating for Rehabilitation training. Rehabilitation services require strong central organization and financial backing. Historically, neither state nor local governments possessed the will, skill and resources to fully support Rehabilitation services. The result has been federal programs, resources and control. Low visibility groups, such as the disabled and subgroups within the disabled tend to lose resources unless funds are specifically targeted to their needs. One purpose of federal support is to serve Congressionally identified national needs. Rehabilitation education and services have demonstrated success through detailed accountability procedures. Full funding for rehabilitation education, training and research guarantees that the needs of the disabled will be addressed. Experience has shown that with appropriate funding the needs of the disabled are addressed. Experience has shown that without the guarantees of financial support certain groups such as the disabled tend to be underserved or unserved by state and local government. Special purpose money continues to serve the purposes for which it was appropriated and does make a difference on who gets served. With full funding the disabled population can be beneficiaries of services in all states and not just those where their needs are of a higher priority. The equalization of opportunity and basic uniformity of essential benefits such as continuing education, pre-service training and research are important justifications; the Administration's proposed funding levels will virtually eliminate these areas and require strong interest groups in every state. The state-to-state differences in scope of services would be exacerbated.

Rehabilitation is not a welfare program. It is estimated that disabled Americans who have been served by the program have returned approximately 10 dollars for every dollar Congress has invested. It is paradoxical that our country which espouses humanitarianism and provides financial aid world-wide will ignore the needs of our own disabled citizens and reduce the levels of funding for Rehabilitation education training and research which are so vital to the delivery of quality services. It is the hope of the Council of Regional Rehabilitation Continuing Education Programs, along with our colleagues in National Council on Rehabilitation Education (NCRE) and Council of State Administrators of Vocational Rehabilitation (CSAVR), that the Committee will support our efforts to train rehabilitation personnel to meet the needs of the nation's handicapped.

Dr. SCALIA. Thank you.

I am dismayed, though, at the administration's funding request, which really threatens the viability of the training and of the quality of services to the disabled, and if I could give you an example to illustrate how that is.

I don't think there is a person in this room that would want to go to a physician who was not abreast of the current medical advances. Further, I don't think there is a person in this room that probably would want to even take their automobile to a mechanic who is not abreast of current technological advances on how to service automobiles.

Well, similarly, we should insist—and probably further than that, we should guarantee—that our disabled citizens receive services from professionally trained practitioners; but not only professionally trained but those that are also kept abreast of current advancements.

The administration's request is going to severely curtail preservice training. It is also going to completely eliminate continuing education in in-service training. Therefore, what we are going to end up with is a supply of trained rehabilitation personnel who will be reduced by fewer graduates, and the ability to upgrade the skills of employed personnel is going to be ignored completely, and we will probably ultimately end up just diminishing the quality of services to our disabled citizens.

The allocation of funds to rehabilitation education and training and research is not spending Federal dollars; it is investing Federal dollars. There is a return of about $10 for every $1 invested. That makes us probably one of the more effective Government programs.

Senator, there has been a lot of rhetoric lately about bringing back the good old days. But I hope the committee understands that when we are addressing disabled population, there were no good old days. These are the good times, and what we do now will determine if there will be better days in the future for our disabled by keeping the moneys in the budget to maintain the levels of confidence for the professionals that have to deal with them and get the disabled on the working programs and part of the labor force.

Our council is recommending that the committee support full funding for rehabilitation training at the $27 million level.

Thank you for the opportunity, and if you have any questions I would be happy to address them.

Senator PROXMIRE. Thank you very, very much, Doctor, and I think you made a fine, concise presentation. I have had a chance to look your statement over and it is excellent.

Dr. Scalia. Thank you, sir.

STATEMENT OF THOMAS GAINES, PRESIDENT, NATIONAL REHABILITATION ASSOCIATION

PREPARED STATEMENT

Senator PROXMIRE. We are now moving into testimony on the rehabilitation services budget. Our next witness is Thomas Gaines, president, National Rehabilitation Association.

Mr. GAINES. Thank you, Senator.

I am Tom Gaines, and I do represent the National Rehabilitation Association, an organization comprised of workers, providers, and consumers of rehabilitation services.

I am also director of the State Rehabilitation Program of the State of Georgia.

As I said, we appreciate the opportunity to come. We submitted written testimony, and these remarks will be in summation of the written testimony, Senator.

Senator PROXMIRE. Your statement will be printed in full in the record.

[The statement follows:]

STATEMENT OF THOMAS GAINES

Mr. Chairman, members of this honorable subcommittee, my name is Thomas R. Gaines, and I am currently President of the National Rehabilitation Association, an organization whose purpose is to advance rehabilitation for persons with disabilities. I am privileged to be here to present our position with regard to the funding needs for programs authorized under the Rehabilitation Act of 1973, as amended.

I extend the sincere appreciation of the approximately 18,000 members of the National Rehabilitation Association and its seven divisions — the Job Placement Division, the National Association of Rehabilitation Instructors, the National Association of Rehabilitation Secretaries, the National Rehabilitation Administration Association, the National Association for Independent Living, the National Rehabilitation Counseling Association, and the Vocational Evaluation and Work Adjustment Association — to you for your consistent and enlightened willingness to invest public funds in the nation's rehabilitation programs. Your past investments in these programs have returned significant dividends to our nation's taxpayers and more importantly, to the persons with disabilities who receive rehabilitation services. I know of no other program funded by the Federal government that consistently returns so many benefits, both financial and personal, to all segments of our society. You have every reason to be proud of your widely-recognized leadership in assuring a proper level of investment in this program.

The National Rehabilitation Association's recommended investment levels for programs authorized in the Rehabilitation Act, as amended, are as follows:

BASIC STATE VOCATIONAL REHABILITATION SERVICES PROGRAM - SECTION 100 (B) (1)

We are recommending an investment level of 1,117.5 billion for the Basic State Vocational Rehabilitation Program, the foundation of the programs authorized in the Rehabilitation Act, as amended. This proven, finely tuned direct service program has stood the test of time and has been well managed. According to the

Rehabilitation Services Administration's latest report to Congress, the benefits/cost ratio exceeds $10 to 1.

Of greater importance are the benefits of this program to persons with disabilities. Behind the cost/benefit studies are individuals who have been provided opportunities to earn money and gain the self esteem that comes from a paycheck. To be working is to be part of mainstream America. This program helps persons with disabilities work and enter that mainstream.

This recommendation is based on the critical need to restore funding for this program to prevent a further decline in the number of persons served. Because of funding cuts and inflation, this effective program reaches only one in 20 eligible persons. We believe it is essential to stop the downward trend in the number of persons with disabilities provided rehabilitation services. Funding this program at the level recommended by the National Rehabilitation Association would help increase the level of services provided while, at the same time, increasing tax revenues.

COMPREHENSIVE SERVICES FOR INDEPENDENT LIVING - TITLE VII

NRA recommends an investment level of 49 million for the Independent Living Rehabilitation Services Program. This important component of the Rehabilitation Act was added in 1978. This program of direct services has been partially implemented through support for 157 Centers for Independent Living located in all parts of the country.

Independent Living Services are designed to assist persons with severe disabilities to live and function independently and when possible, enter the Vocational Rehabilitation program. The services provided through Title VII of the Act not only enable persons with severe disabilities to live and function independently, but also reduce public costs associated with disability.

Currently, Mr. Chairman, only Part B (Independent Living Centers) is funded. The National Rehabilitation Association urges that Part A and Part C as well be funded to fully implement the concepts of Independent Living embodied in the 1979 amendments. The potential for cost savings are enormous, and the benefits to the persons with severe disabilities have been solidly demonstrated.

REHABILITATION RESEARCH

The National Rehabilitation Association recommends an investment of 40 million in rehabilitation research as administered by the National Institute for Handicapped Research. We are entering a new era in our nation, one that is exemplified by remarkable technological advances. These scientific and technical achievements can, and should, be brought to bear in the problems faced by our nation's persons with disabilities. Increased investment in rehabilitation research will pay direct dividends in future years as we discover more effective ways of meeting the needs of persons with disabilities and incorporate technological and scientific advances in our direct rehabilitation services programs.

REHABILITATION TRAINING

NRA recommends an investment of 27.0 million in rehabilitation training programs in 1985. The quality and success of any direct service program is directly related to quality training for service providers charged with turning rehabilitation goals into realities.

We cannot allow documented shortages in many rehabilitation professions to continue without lowering the overall effectiveness and success of the nation's rehabilitation programs.

EVALUATION

Section 14 of the Rehabilitation Act calls for the Secretary of the Department of Education to ascertain the impact of all programs authorized by the Act. Congress is to be commended for establishing clear and needed priorities in the area of Evaluation, and the National Rehabilitation Association recommends an appropriation of 2.5 million in order to achieve full compliance with Evaluation requirements of the Rehabilitation Act.

SPECIAL DISCRETIONARY GRANTS

Time does not permit a full discussion of all Special Discretionary Grants authorized by the Act. We wish to note, however, that these grants are of great importance to the overall comprehensive scope of the programs authorized by the Rehabilitation Act, as amended. These grants address special and specific needs and provide opportunities for increasing the effectiveness of the total activity.

Our recommended investment levels, in million dollars, for Discretionary Grants are as follows:

1.	Client Assistance Projects	$ 6.3
2.	Special Projects for the Severely Disabled	$ 13.6
3.	Helen Keller National Center	$ 4.2
4.	Technical Assistance	$ .25
5.	Evaluation	$ 2.5
6.	Service Grants to Indian Tribes	$ .75
7.	Special Recreation	$ 2.1
8.	National Council for the Handicapped	$ .5
9.	Architectural and Transportation Barriers Compliance Board	$ 2.3

The Rehabilitation Act of 1973, as amended, is one of the most complete, well-written, and well-balanced pieces of legislation in the field of human services. In one Act, provisions are included for a comprehensive and individually-tailored program of rehabilitation services to eligible physically and mentally disabled persons; a training program to fully prepare rehabilitation personnel; a research program to develop new techniques in providing services; a special projects program to target services to specific populations; a comprehensive services program for independent living for persons too severely disabled to benefit from traditional vocational rehabilitation services; and other specially designed programs. The Rehabilitation Act and the programs it authorizes signifies our society's recognition of its responsibility to provide people with disabilities the opportunity to be full participants in the mainstream of life.

The National Rehabilitation Association commends the U. S. Congress for its long history of progressive legislation and funding in behalf of rehabilitation programs. That Congress has responded positively to the rights and needs of persons with disabilities is at least in part because of its recognition that investments in rehabiliation programs are in fact investments in a stronger United States. We thank you and your colleagues in advance for appropriating funds for rehabilitation programs at the levels we have recommended in this testimony. Thank you!

Mr. GAINES. Thank you, sir.

First, let me state a sincere and genuine appreciation from all of us who are interested in rehabilitation and certainly from those of us who are members of the National Rehabilitation Association for the continuing support this committee, the Senate, the U.S. Congress has shown the Public Rehabilitation Program in its 64-year history. We sincerely appreciate it.

Last August, Senator Weicker addressed the National Rehabilitation Association membership in its annual meeting in Boston. The text of his speech included an acknowledgement that persons with disabilities and advocates of programs for persons with disabilities should never be content with the status quo.

Indeed, I am here today to say that the membership of the National Rehabilitation Association and those persons whose needs we represent cannot and will not be content with the status quo, for to us status quo represents decreased purchasing power and status quo means level funding.

Status quo means an increase in the roster of persons with disabilities who need the services of the Public Rehabilitation Program.

We are speaking to the funding needs for the programs authorized under the Rehabilitation Act of 1973, as recently amended. We seriously encourage, urge, implore Congress to fund the Rehabilitation Program in 1985 at its fully authorized levels, all facets of the program.

One of the real unique things about the Rehabilitation Act is that it is a very comprehensive piece of legislation; that is, that it focuses on virtually every aspect of the rehabilitation milieu.

We encourage funding at all authorized levels, and in addition, Senator, we seriously encourage supplemental funding in the remainder of fiscal 1984 at the authorized levels. The program is not yet funded at the authorized levels for the current fiscal year.

The National Rehabilitation Association fully recognizes, and we acknowledge that Congress does likewise, that the redistribution of tax dollars in the form of rehabilitation goods and services represents a very sound investment in a stronger economy, and thus a stronger United States.

Again, we continue to appreciate the support of Congress, the importance of investing funds in the Public Rehabilitation Program. As I said earlier, we cannot be content with the status quo because the status quo is stagnant, and some would say if we are not growing in terms of our ability to reach out and serve increasing numbers of disabled persons we are down.

This program is too good, the economy has strengthened too much for us to turn our backs on it.

Thank you again for allowing our testimony.

Senator PROXMIRE. Thank you very much, Mr. Gaines, and I deeply appreciate your emphasis on not being content with the status quo.

You referred to the good old days not being so good. As a matter of fact, at my age I don't think of the good old days. I yearn for the good old nights. [Laughter.]

STATEMENT OF DAVID DAUGHERTY, EXECUTIVE DIRECTOR, HARTFORD EASTER SEAL REHABILITATION CENTER

PREPARED STATEMENT

Senator PROXMIRE. Our next witness is David Daugherty, executive director, Hartford Easter Seal Rehabilitation Center.

[The statement follows:]

STATEMENT OF DAVID DAUGHERTY

My name is David Daugherty. I am the Executive Director of the Hartford Easter Seal Rehabilitation Center in Hartford, Connecticut. I am appearing before you today representing the National Association of Rehabilitation Facilities (NARF). I currently serve on NARF's Board of Directors.

NARF is a national organization of rehabilitation facilities with more than 400 institutional members. Members provide a range of comprehensive rehabilitation services to more than 200,000 handicapped people annually. These members include comprehensive rehabilitation hospitals, rehabilitation units of acute care hospitals, sheltered workshops, outpatient rehabilitation facilities and work activity centers.

The Rehabilitation Act of 1973 remains the most visible source of services to handicapped persons. There are other programs which all play an increasingly important and interacting role in the provision of services to handicapped persons. They include the Education for All Handicapped Children Act, The Developmental Disabilities Act, The Alcohol, Drug Abuse and Mental Health Block Grant, The Social Services Block Grant, The Maternal and Child Health Act and The Job Training Partnership Act. These programs are addressed in Part 2 of NARF's Testimony.

In fiscal 1984, the programs under the Rehabilitation Act were funded at $1114.9 million. The Rehabilitation Act was recently reauthorized through fiscal 1986.

The Rehabilitation Act of 1973, as amended, embodies a comprehensive strategy to help handicapped people. The basic state grant provides the basic funding service for states to provide rehabilitation services to handicapped persons. The states match the federal money on a 20/80 percent basis.

The most recent cost-effectiveness data from the Rehabilitation Services Administration shows that in the first year after case closure, persons rehabilitated are expected to pay federal, state and local governments an estimated $211.5 million more in income, payroll and sales taxes than they would have paid had they not been rehabilitated. In addition, another $68.9 million will be saved as a result of decreased dependency on public support payments and institutional care. The lifetime earnings of people rehabilitated have improved $10.40 for every $1.00 spent.

The Administration's budget would freeze basic state grants at the 1984 level of $1003.9 million. NARF recommends an appropriation of $1117.5 million. This is the level authorized as an entitlement in PL. 98-221. This increase is needed to allow the basic program to meet inflationary increases.

Innovation and Expansion (Sec.12) funding has been alloted to the states on a formula basis to fund the cost of planning, preparing for and initiating special programs to expand vocational rehabilitation service. Special emphasis on the Innovation and Expansion program is placed on serving the most severely disabled and other handicapped populations with special needs. In the past, Innovation and Expansion projects have brought the developmentally disabled into vocational rehabilitation programs when previously they were thought to be too severely disabled to qualify for rehabilitation services.

Innovation and Expansion funds are one of the few ways the Rehabilitation Services Administration can identify and affect national priorities for the rehabilitation of disabled persons. Funding I and E grants would be an excellent means to address the need for transitional programs from special education and in providing expanded employment opportunities.

The Committee should use this opportunity to place renewed emphasis on the Innovation and Expansion Program by an appropriation of at least $12 million, the amount appropriated in fiscal 1978, the last year separate funding was appropriated.

In addition to the basic state grant program and Innovation and Expansion Grants under Title I, there are more than 16 additional categorical programs authorized in the Rehabilitation Act of 1973, as amended. These programs include construction of rehabilitation facilities (Sec. 301), vocational training services (Sec. 302), loan guarantees for rehabilitation facilities (Sec. 303), training (Sec. 304), comprehensive rehabilitation facilities (Sec. 305), special demonstrations programs (Sec. 311), migratory workers (Sec. 312), the Helen Keller center (Sec. 313), reader services for the blind (Sec. 314), interpreter services for the deaf (Sec. 315), special recreational programs (Sec. 316), Projects With Industry (Title IV, Part B), Independent Living (Title VII) and Research (Title II).

Some programs, such as construction of rehabilitation facilities (Sec. 301), training service grants (Sec. 302), and loan guarantees for facilities (Sec.303) have not been funded for four years or more, even though they are vital to the development and quality of rehabilitation facilities and services. Rehabilitation facilities are the major provider of service to the severely disabled. Without the funding these programs could provide new or expanded facilities will not be available to the growing number of disabled persons. These programs also fund projects to improve facilities and their programs and train personnel who work in these facilities.

NARF recommends modest funding for these programs for fiscal 1985. A total of $1 million should be appropriated for Sections 301, 302 and 303 of the Act. Allocation should be made at the discretion of the RSA Commissioner for national priorities and projects which will serve as models.

The Reagan Adminstration has recommended an increase to $14.6 million for Special Demonstration from the FY 1984 level of $12.1. The Administration wants to use the increase to fund a new initiative for supported work. There have been indications that $5 million would be allocated to this new program. A shift in funds from Projects With Industry ($1.8 million), Client Assistance ($6 million), and Special Recreation Projects, and a reduction of unknown proportion in current Special Demonstration Projects has been recommended to fund the initiative and to reduction the overall level of discretionary funding under the Rehabilitation Act.

While NARF is not opposed to the Administration's initiative in funding supportive work programs, it should not be at the expense of existing successful programs. If any funds are to be allocated to support work it should be with the stipulation that existing community based facilities should be utilized in providing services.

The Projects With Industry (PWI) program authorized contracts or jointly-financed cooperative agreements for projects designed to prepare disabled individuals for gainful employment. PWI is part of an overall rehabilitation program, but with more emphasis on the placement. Last year, 72 PWI projects were funded at $13 million. Over 10,000 placements made this a successful job-training program. Placement retention rates were over 75 percent. The average annual wage for PWI graduates was $9,000; total income for persons placed by the program was $78 million. Taxes paid by PWI graduates alone offset the cost of the program.

NARF recommended an appropriation of $14.4 million for PWI for fiscal 1985. The success of PWI and its positive cost-benefit ration justify the modest increase in funding. The Administration requested decrease of $1.8 million would cause decreases to all

PWI projects even though their success and cost effectiveness has been thoroughly demonstrated.

It is estimated that by 1990 rehabilitation facilities will need between 100,000 and 300,000 new staff members. Other areas of rehabilitation will have similar needs for trained professionals. Yet the Administration has proposed a 75 percent cut in training funds for 1985. NARF strongly urges this subcommittee to provide the fully authorized level of $27 million to train rehabilitation professionals.

The National Institute of Handicapped Research promotes expanded research in both traditional and innovative fields of rehabilitation. Despite initial Congressional intentions of significantly expanding research in the area of rehabilitation, the NIHR budget has consistently received a smaller appropriation than the initial funding level of $31.5 million in fiscal 1979 and fiscal 1980. In addition to fewer absolute dollars, NIHR funding has also been further eroded by inflation. The Administration has recommended significant increase in other research programs; rehabilitation research should be no less a priority. NARF recommends an appropriation of $40 million for fiscal 1984.

Senator PROXMIRE. I spoke at Trinity College about 10 days ago and was very impressed.

Mr. DAUGHERTY. It is a very nice school.

Senator PROXMIRE. It certainly is. I had a chance to run around the Hartford campus on my morning jog.

Mr. DAUGHERTY. Good exercise for sure. Thank you.

Mr. Chairman, my name is David Daugherty. I am the executive director of the Hartford Easter Seal Rehabilitation Center. I am here today to testify on behalf of the National Association of Rehabilitation Facilities.

A statement has been submitted for the record that details NARF's recommendations for the multiplicity of programs of interest to rehabilitation facilities.

These include vocational rehabilitation, special education, developmental disabilities, and the Job Training Partnership Act.

I would like to use the limited time available to me to tell you of some of the activities and programs at the Hartford Rehabilitation Center that are affected by the various Federal programs.

The Hartford Easter Seal Rehabilitation Center helps more than 2,500 disabled persons a year in the areas of physical restoration, speech and language, audiology and vocational services.

Much has been said about projects with industry over the past several years. I know of the chairman's personal support of the program, and I do not need to remind him or you of the success of that program.

But what is sometimes overlooked is the catalystic effect PWI funds have in pulling other funding sources together.

For instance, we receive approximately $10,000 a year in PWI funds through the New England Association of Business, Industry, and Rehabilitation, our neighbor. Our PWI Program generates about 50 placements a year, with annual wages of graduates being $356,000 per year.

In addition, we have three projects with industry advisory committees helping us in identifying training needs and job slots in the areas of clerical workers, building maintenance, and food service. We have been able to place over 75 percent of the clients taken into the PWI Program.

The $10,000 is used to help pay part of the salary of the job-seeking skills and placement specialists. Obviously, the $10,000 does not cover all of that person's salary, much less the cost of other needed training and social services.

We utilize a variety of funding sources to provide these services. The Division of Vocational Rehabilitation helps pay for training in clerical and food services, and JTPA helps fund the maintenance program.

Other funding sources include the State's mental health agency, local school systems, and the local psychiatric hospital. We also have an Insurance Rehabilitation Program for injured workers.

Much has been said recently about the need to coordinate the various funding sources targeted at different disability populations. This has been mentioned in the transitional program for special education graduates and the employment initiative at the Administration for Developmental Disability.

Community-based rehabilitation facilities are already engaged as a local focal point for coordinating a variety of services targeted to disabled persons, as in our Project With Industry Program.

This subcommittee should urge the utilization of agencies such as ours rather than duplicating existing services or bypassing facilities that have the desire and capability to provide services and employment opportunities to severely disabled persons.

Another recent catchword in the rehabilitation field has been supportive employment. The concept is not new to some of us who have been involved in rehabilitation for many years. The goal of every rehabilitation facility is to give disabled persons the most independence possible in the most integrated setting.

Some would have us think that rehabilitation facilities are dead-end streets. Really, nothing could be further from the truth. Rehabilitation facilities were at the forefront of providing work to the tens of thousands of persons who used to reside in State institutions, and they can be just as effective in working with the young adults who will need work in supportive services as they come out of special education programs.

For example, in Hartford we have a supportive work program for 7 years. There are between 10 and 12 disabled persons working on a long-term basis at the bindery of the Aetna Life and Casualty Co., a major employer in Hartford.

The Hartford Rehab Center is their employer, but otherwise, for all practical purposes, they work at Aetna. They work with other Aetna employees, meet in the Aetna lunchroom and have the opportunities to socialize with other Aetna employees.

All of these clients still received needed social services from the rehab center, and, when necessary, the center provides onsite supervision.

We also have a Selective Placement Program for between 8 and 10 slots in local businesses. These short-term job stations are used for DBR and JPTA clients to prepare them placement into their own competitive level jobs.

Funding for this type of program greatly increases the success of our placement efforts.

These are the three examples of the integrated programs being carried out in a community-based rehabilitation facility.

I urge you and the committee to look favorably at the recommendations in our written testimony. I hope you will be especially aware of the need for funding discretionary grant programs.

It is true that these relatively small programs and innovative approaches to employment of handicapped persons can be developed.

I would be glad to answer any questions you might have regarding anything I have said.

Senator PROXMIRE. Thank you very much for a very excellent presentation.

STATEMENT OF LESLIE JAMES, PRESIDENT, COUNCIL OF STATE ADMINSTRATORS OF VOCATIONAL REHABILITATION

Senator PROXMIRE. Our next witness is Leslie James, president, Council of State Administrators of Vocational Rehabilitation.

Mr. James, happy to have you here.

Mr. JAMES. Senator Proxmire, I appreciate the opportunity to be here today. I represent the Council of State Administrators of Vocational Rehabilitation, which is the State-Federal program, which I'm sure you're aware. The program has been in existence for roughly 65 years, and it's had bipartisan support for all those years.

For about one-third of that time, I have been involved in watching vocational rehabilitation, either as a practitioner or an administrator, and I have watched the goal remain constant. It has never changed. The goal has been to put the disabled and vocationally handicapped people back to work. But during that 20 years, I have watched the clients with whom we are dealing change very significantly.

More and more we are dealing with the severely disabled. Now our cases are almost 60 percent severely disabled. The severely disabled cost more, and they take longer to get into employment. At the same time that we have tried to serve more and more severely disabled, we have lost on economic factors alone, roughly 31 percent of our purchasing power between 1979 and 1982.

I believe that the inability to help people go to work—for everyone we miss, we are wasting human potential. In addition, we are certainly wasting other Government funds, because costs are simply increased, if we do not get the handicapped person to work. Public assistance costs go up, medicaid costs go up, all social service costs simply go up, if the person cannot return to employment and become a taxpayer.

Hence, we are urging that the basic State program be funded at the full allotment level—the entitlement level—so that States can, if they match the money, come up with their full allotment.

We also urge, as has been urged earlier, that the training be funded at the full level, because I agree with what was said earlier—we must keep the Continuing Education Program and the rehabilitation in-service training programs funded, or we are going to slide back in our ability to maintain and upgrade the levels of our staffs as they try to serve an ever-more severely disabled population.

We are also urging the full funding of part VII, parts A and C of the independent living, because the independent living is also turning out to be a very cost-effective program. It saves social service money; it saves public assistance moneys. We are also asking for full funding for the handicapped research, because research is essential, if we are to learn how to deal better with the severely disabled population that we are continuing to try to serve.

I'd be glad to answer any questions you may have.

Senator PROXMIRE. I have one question, Mr. James. You talk about ever-more severely disabled population.

Is this because we're more aware of the disabilities that we previously overlooked, or is this because there is something in our society that's increasing the disability?

Mr. JAMES. There are several factors involved. One is, legislation has mandated we serve more severely disabled. In addition, society is accepting the fact that more severely disabled can work. We are now serving people who 10 or 15 years ago might have remained in insitutions nearly all of their lives. And we are now putting these people to work.

PREPARED STATEMENT

Senator PROXMIRE. Thank you very much. We will include your statement in the record at this point.

[The statement follows:]

STATEMENT OF LESLIE JAMES

The Council of State Administrators of Vocational Rehabilitation is an association comprised of all of the chief administrators of the public rehabilitation agencies providing services to persons with disabilities in the fifty states, the District of Columbia, and our Nation's territories. These agencies constitute the state partners in the State-Federal Program of Rehabilitation Services for persons with mental and/or physical disabilities provided by the Rehabilitation Act of 1973, P.L. 93-112, as amended. This 64-year-old program is the major resource for, and the state rehabilitation agencies are the primary providers of, rehabilitation services to handicapped citizens in this Nation.

The Rehabilitation Act, recently re-authorized and strengthened by the enactment of Public Law 98-221, the Rehabilitation Act Amendments of 1984, is the most complete and well-balanced legislation in the human services field. In one Act, provisions are included for (1) a comprehensive and individually-tailored program of services to physically and mentally handicapped individuals; (2) an innovation and expansion program; (3) a training program; (4) a research program; (5) a special projects program; (6) a rehabilitation facilities program; (7) an employment program; (8) and a comprehensive services program for independent living. This balanced emphasis embodies the elements necessary for a successful rehabilitation program to be provided through a nationwide network of public and private service providers.

As recently as February 22, 1984, the strength of bi-partisan support for the Rehabilitation Program was shown when President Reagan signed into law the Rehabilitation Act Amendments of 1984.

These newly-enacted Amendments strengthen and broaden the services available under the Act. In addition, new authorization levels for the Programs under the Act were overwhelmingly approved by the Congress at levels that are realistic from a budgetary standpoint. If appropriated, these new authorization levels will help to break the downward trend of the purchasing power of the "rehabilitation dollar."

BASIC STATE GRANTS: VOCATIONAL REHABILITATION SERVICES
(Section 110)

FY 1985 AUTHORIZATION................$1,117,500,000
FY 1985 CSAVR Recommendation.........$1,117,500,000

Basic State Grants are the lifeblood of the Vocational Rehabilitation Program. It is this section of the Act which funds the provision of vocational rehabilitation services to individuals with mental and physical disabilities. These Federal dollars, matched with state money at a ratio of 80% to 20%, permit a State Rehabilitation Agency to provide, or contract with private agencies and organizations to provide, individualized, comprehensive services for the purpose of rendering "employable" eligible, handicapped persons. Such services may include evaluation; comprehensive diagnostic services; counseling; comprehensive physical restoration services; prosthetic devices; various kinds of training and training supplies; placement; placement tools and equipment; transporation, post-employment services; placement follow-up; and any other service needed to rehabilitate an individual into employment.

The people served by the program include people with heart conditions, blind persons, deaf persons, amputees, persons with mental disabilities, diabetics, mentally retarded persons, or persons who have other chronic, disabling conditions incurred through accident, illness, or birth.

In Fiscal Year 1983, the $943,900,000 appropriated for Basic State Vocational Rehabilitation was used by State Rehabilitation Agencies to serve 938,923 disabled individuals, of which 216,231 were rehabilitated. Despite this expenditure, there still are not sufficient funds to serve all those eligible, disabled persons who have the potential and desire to work and who need rehabilitation services to attain employment or self-sufficiency. Alarmingly enough, our best estimate is that State Rehabilitation Agencies were only able (based on the FY 1983 appropriation of $943,900,000) to serve one out of every twenty people who were eligible for such services.

To illustrate the declining resources available under the Section 110 Program, the following is a citation from the Report of the House

Committee on Education and Labor on H.R. 3520, a measure to extend the Rehabilitation Act, (H. Rept. 98-298):

> "With economic factors alone considered, there was a 31 percent loss in purchasing power between 1979 and 1982. In real dollars, this amounted to a loss of $384,000,000."

State Rehabilitation Agencies, in carrying out the mandate of the Act to give priority of service to the rehabilitation of persons who are severely disabled, are finding that the costs--in terms of time, effort, and money--of serving this group are great--much greater than the cost of rehabilitating the less severely disabled. This means that the program is serving fewer people, while expending more money for adequate services, adequately trained staff, adequate equipment, and adequate facilities.

In Fiscal Year 1983, 57.7 percent of all individuals served by State Rehabilitation Agencies were classified as "severely disabled." While this is the highest percentage of persons with severe disabilities served in the history of the Program, it is also the smallest number of severely disabled persons served since 1977.

The costliness of the provision of services to persons identified as severely disabled (over 50 percent more costly than those provided to persons who are non-severely disabled), coupled with declining resources, are impeding the ability of the State Rehabilitation Agencies to provide necessary services. In fact, we would not be surprised -- if these current trends continue -- to soon see State Rehabilitation Agencies serving only one out of twenty-five eligible persons with disabilities.

We urge the Congress to reverse this trend by honoring its legal commitment to fund this program at the "entitlement" level.

The Council strongly urges that the Committee provide appropriations for Basic State Vocational Rehabilitation Services under Section 110 of the Act in the amount of $1,117,500,000, for Fiscal Year 1985.

It is important to remember that the justification for higher funding levels stems from the purpose for which the money is spent--the prevention of an incalculable waste of human potential--a purpose on which no price tag can be placed.

Aside from these humane arguments, Vocational Rehabilitation has continually more than paid for itself by helping handicapped people increase their earning capacity; by freeing some other family member to work; or by decreasing the amount of welfare payments, health services, and social services they might need; and by assisting them to become taxpayers.

Recent estimates by the Rehabilitation Services Administration show that for every dollar spent on providing vocational rehabilitation services, there is a return to Federal and State treasuries of over ten dollars.

The Congress must continue to view the funds appropriated for Basic State Grants as being a sound investment of the public's money.

COMPREHENSIVE SERVICES FOR INDEPENDENT LIVING (TITLE VII)

FY 1985 Authorization...............$22,000,000(Part B only)
FY 1985 CSAVR Recommendation......$49,000,000(Parts A,B,C)

Title VII of P.L. 95-602 established a state grant program to provide Comprehensive Services for Independent Living designed to meet the current and future needs of individuals with disabilities so severe that they do not presently have the potential for employment but may benefit from rehabilitation services which will enable them to live and function independently.

The existing Independent Living Centers across the country have proven--and continue to prove on a daily basis--the effectiveness of, and the need for, the full implementation of the independent living concept.

However, we need desperately to supplement the services provided by the existing Centers. This can be done by implementing the already authorized--yet unfunded--statewide service delivery system in independent living for the severely disabled, under Title VII, Part A.

In the Conference Report to P.L. 98-221, the Rehabilitation Act Amendments of 1984 (Conference Report 98-595), the Conferees, in clear language, state the following:

> "The conferees wish to strongly endorse the full implementation of the independent living concept through funding for part A of the title VII...Cooperatively with centers funded through part B of this title, services made available through part A would enhance, expand and stabilize the independent living program...Until a statewide delivery system is implemented, however, the benefits of independent living services will be available to only a small percentage of severely handicapped persons...."

The CSAVR's recommendation of $49 million in appropriations for FY 1985 for Title VII, is justified based on the need for devising an equitable state distribution procedure for Part A Service Grants; allowing a continued adequate funding base for the Centers for Independent Living as authorized under Part B; and funding for the first time an Older Blind Individuals' Program, as authorized by Part C.

TRAINING GRANTS (Section 304(e))

FY 1985 Authorization....................$27,000,000
FY 1985 CSAVR Recommendation.............$27,000,000

At a time when staff competency should be strengthened to deal with new authorities in the Act, and with the increased percentage of severely disabled people that the Programs continue serve, the Administration has proposed a 77 percent reduction in monies for Rehabilitation Training for FY 1985.

The decision by the Congress (in the Rehabilitation Act Amendments of 1984) to focus heavily upon improving the Rehabilitation Training components is sound.

One of the most critical problems facing State Rehabilitation Agencies is the need to enhance the skills of rehabilitation professionals currently working in the Agencies, especially with respect to new technologies and the ever-increasing emphasis on serving persons who are severely disabled. The Conference Report to the 1984 Amendments recognizes this need in stating that "it is essential to maintain and upgrade the skills of presently employed personnel, as well as to increase the number of personnel in shortage areas, in order to meet current and projected vocational rehabilitation needs."

Two of the training activities central to addressing this need are In-Service Training, and the Rehabilitation Continuing Education Programs.

These training programs are critical to the field of Rehabilitation, and receive no major support from any other source. The CSAVR recommends that $27.0 million be appropriated under Section 304(e) for Fiscal Year 1985.

STATEMENT OF JOHN F. DiTUNNO, JR., M.D., CHAIRMAN, DEPARTMENT OF PHYSICAL MEDICINE AND REHABILITATION, JEFFERSON MEDICAL COLLEGE, PHILADELPHIA, PA, ON BEHALF OF THE AMERICAN ACADEMY OF PHYSICAL MEDICINE AND REHABILITATION, THE AMERICAN CONGRESS OF REHABILITATION MEDICINE, AND THE NATIONAL ASSOCIATION OF REHABILITATION RESEARCH AND TRAINING CENTERS

PREPARED STATEMENT

Senator PROXMIRE. Our next witness is Dr. John F. DiTunno, chairman, Department of Physical Medicine and Rehabilitation, Jefferson University Hospital, Philadelphia, PA.

[The statement follows:]

STATEMENT OF JOHN F. DITUNNO, JR.

My name is John F. DiTunno, Jr., M. D. I am a physician specializing in physical medicine and rehabilitation (PM&R). I chair the Department of Physical Medicine and Rehabilitation at Jefferson Medical College in Philadelphia and direct a national spinal cord injury program. I am testifying on behalf of the American Academy of Physical Medicine and Rehabilitation of which I am a Past-President, the American Congress of Rehabilitation Medicine, a multi-disciplinary professional organization of which I am Chairman of the Legislative Committee and the National Association of Rehabilitation Research and Training Centers.

We believe that the President's budget for all rehabilitation programs is very inadequate. It will provide for no expansion of services and will result in either fewer disabled people being served or fewer services to those who are served since it maintains the basic state grant service program at current levels. This is a particularly inappropriate time to be reducing vocational rehabilitation and independent living services by maintaining level budgets since current trends in financing acute medical care for the aged and disabled and others emphasizes shorter acute hospital stays and more community-based rehabilitative and independent living types of services.

My testimony focuses primarily on the inadequacies of the research budget of the NIHR and the budget for the training of professionals. As you know, these programs are cut deeply in the President's proposed budget. The NIHR research budget is cut by about 20% from current levels and the training program is cut by about 75%. These are short-sighted recommendations. Certainly, service programs are of immediate priority because all professionals in rehabilitation put the patient's or client's needs above all others. But a policy such as that reflected in the President's FY 1985 budget which minimizes the need to produce knowledge as to effective methods of care and to produce professionals who are well trained and available in areas of need is improvident in the long-run. Let me discuss each of these program areas -- research and training -- in more detail.

NIHR Budget

The Reagan Administration budget for federal research programs provides approximately a 14% increase which is real growth of almost ten percent. The emphasis unfortunately is largely on research which is unrelated to human need. The NIHR budget, as noted earlier, proposes about a 20% cut. Many existing research programs will have to be terminated under this budget proposal and no new programs could be started. This Institute has a very credible research program this year, thanks to the efforts of this Subcommittee and the leadership of Dr. Fenderson, the NIHR Director. Initiatives begun this year in support of field-initiated individual research grants and fellowships in training are very important. Rehabilitation needs these programs to encourage new investigators through individual research grants and training.

In FY 1985, a budget of $40 million is a minimum necessary to maintain an adequate research program for centers, individual research grants and other projects. Existing research and training centers and engineering centers should be continued and the priority areas for these centers should be retained. These priority areas include, among others, rehabilitation research related to arthritis, cardiac problems, spinal cord injury, stroke and brain trauma, multiple sclerosis and other neurological impairments, mental retardation, mental illness, pediatric rehabilitation and blindness. There is no evidence that these center programs are inadequate or that the priority areas need changing. We need stability and continuity for these centers. These center programs should receive an increase to enable them to be productive since most all of them have had no increases since their initial grants in FY 1983. Such an increase would enable centers to meet fixed cost increases and would enable underfunded centers to approach the minimum necessary for a productive center. Current levels for these two center programs, R&T Centers and Engineering Centers, is about $24.5 million and at least $27 million is necessary in FY 1985. We believe that all new field-initiated projects begun this year, probably 30 to 35, should be continued since they just have been funded and for three years. At least 25 to 30 additional new projects should be started in FY 1985 to enable new grants to be maintained at a stable level. About $6 million is necessary for both continuations and new grants. The research training program should be expanded from about $500,000 to $1.5 million in order to expand research training of new investigators and support about 50 trainees. The current program is a mid-career training program. We urge that an additional $1 million be devoted to training young people interested in research as a career. Additionally, $5 million is needed to honor existing research and demonstration and research utilization projects including an increase to meet fixed cost increases.

Let me take a moment to describe what this research investment can produce for disabled people and the tax-paying public by citing some examples of ongoing research. Expanded research in spinal cord injury care can prevent the extraordinary high incidence of pressure sores which result in many extensive hospital stays. Research on the restoration of peripheral nerve function can restore the use of physical function dramatically. We badly need to expand medical and general rehabilitation knowledge in the field of pediatrics, an area where little has been done. Research on the use of the Harrington procedure for straightening spinal deformities is in progress. Devices are also being developed to enable communication by the non-vocal disabled. Vocational rehabilitation research centers have developed instruments to assess employability and conduct research to improve methods to enable the disabled to function in ordinary work settings. Centers dealing with retardation have produced and continue to produce assessments of the effectiveness of group homes and are making major strides in developing employment training for the profoundly retarded.

Training

Let me now turn to the professional training budget.

The Reagan Administration's budget for the professional training program is wholly inadequate. While we wholeheartedly agree that the priority should be on long-term training and on professional disciplines with shortages, we do not believe that a 75% cut of $17 million will achieve that result. All evidence points to serious professional shortages in many disciplines such as medicine, prosthetics and orthotics, speech pathology, occupational therapy, rehabilitation nursing, physical therapy and counseling. Studies are numerous which support this conclusion including those sponsored by RSA and a study done by the Graduate Medical Education National Advisory Council. There is also a clear trend in the rapid development of rehabilitation programs in the health field. The new Medicare payment system provides a substantial incentive for the development of inpatient and outpatient rehabilitation and home-based rehabilitation care. But needed new programs cannot develop without adequate numbers of trained specialists. Again, these are productive investments since quality rehabilitation services reduce disabling conditions and their effects.

In rehabilitation medicine, we have a very serious shortage problem. Conservative studies such as GMENAC recommend a 50% increase in specialists in rehabilitation medicine. Other estimates are that 100% to 200% growth is needed. Yet, only 50% of our medical schools have organized programs in rehabilitation. Training funds are needed to expand these programs and increase the number of residents. Without such an increase, we can expect either untrained physicians to be involved or a reduction in care for the disabled. Yet, Medicare currently requires a full-time medical director for every rehabilitation program.

In conclusion, Mr. Chairman, the rehabilitation community owes much to the Subcommittee for its past support. Unfortunately, we must again request that you add substantial amounts to the rehabilitation budget. But such additions will produce benefits for disabled people and the public which fully justify those additions. I would like to include for the record an excellent article from the NEW YORK TIMES MAGAZINE reviewing developments in rehabilitation and depicting the importance of rehabilitation programs for the disabled.

	NIHR FY 1984 Estimates ($'s)	FY 1985 Recommendation ($'s)
Centers (R&T and Engineering)	25 (17+8)	27 (18.5+8.5)
Field-Initiated Grants	3.5	6
R&D Projects	8.6	5.5 (Continuations Only)
Training in Research	.400	1.5
	37.5 M*	40 M

*program level is $37.5 M ($36 M FY 1984 appropriation, $1.5 M carry-over from FY 1983 support)

Dr. DiTunno. Thank you, Senator.

I'm John F. DiTunno, Jr. I am a physician specializing in physical medicine and rehabilitation. As indicated, I chair the Department of Physical Medicine and Rehabilitation at Jefferson Medical College in Philadelphia, and I'm also director of the National Spinal Cord Injury Center.

I am testifying on behalf of the American Academy of Physical Medicine, of which I am the past president, the American Congress of Rehabilitation Medicine, and the National Association of Rehabilitation Research and Training Centers.

We believe that the President's budget for all rehabilitation programs is very inadequate, including services, and we support the States directors' testimony which has just preceded us. However, my testimony today focuses primarily on the inadequacies of the research budget of the National Institute of Handicapped Research and the budget for the training of professionals.

As you know, these programs are cut deeply in the President's proposed budget. The NIHR budget is cut by about 20 percent from current levels and the training budget by 75 percent. The NIHR budget cuts would result in the termination of many existing research programs and no new starts. The Institute, thanks to the efforts of this subcommittee, and the extremely able leadership of Dr. Fenderson, has a very credible research program this year.

The field-initiated individual research grants and research training fellowships are very important new starts this year and are essential to the development of research capacity in the field of rehabilitation.

In fiscal year 1984, a budget of $40 million is a minimum to retain an adequate research program for centers, individual research grants and other projects.

I would like to cite several examples of research being done in my own center, to illustrate the importance of this funding.

A serious complication of patients with spinal cord injury are clots in the leg. These can break loose and go to the lungs, and this is a major cause of death. We are beginning to look at analytical simulations of pumping the blood from these legs and this shows promise of preventing this complication. This complication plus pressure sores results in prolonged length of stays and greater illness of these patients, excessive cost.

In our own center, we have looked at the data for 1982–83 to reduce 45 days, the length of stay of patients admitted to our center within 3 weeks of injury rather than those who come in later.

This illustrates a cost saving of over $2 million in 1 year.

Another example of research we're interested in is facilitating the recovery muscle strength of the arms and hands of the patients who are paraplegic, with most serious of this type of injury. We have found by carefully following the recovery of—strengthening these patients, they do recover sufficient strength to improve their self-care, their productivity, and their mobility.

As we understand better the timeframe and the kind of recovery—the mechanism for recovery—or the regeneration of the nerves of these muscles, we can begin to examine the effect of surgery, drugs, and exercises on improving this strength among these patients.

It's these new exciting possibilities that are made able by the new funding and, therefore, we recommend the importance of this funding of the field-initiated research which we have not had before.

In addition to this, the funding of research fellowships to train young investigators for the first time will enable us to encourage other bright young clinicians to dedicate their time to appropriate training to participate in these investigations.

I'd next like to turn to training—the training budget. The administration's proposed budget cut of 75 percent or $17 million will seriously impact on the long-range training needs of professional disciplines for rehabilitation.

All evidence shows serious shortages in many disciplines such as rehabilitation medicine, prosthetics and orthotics and other rehabilitation therapy. Studies done by the Rehabilitation Service Administration supports this point. And I was personally involved in the GMENAC study which documents rehabilitation medicine as one of the few undersupplied medical specialties. GMENAC was a national advisory group mandated by Congress to study manpower needs in medicine.

The new medicare law will provide substantial incentives for the expansion of rehabilitation services, and this will require more specialists in rehabilitation medicine.

We estimate a 100- to 200-percent need in growth of rehabilitation medicine specialists. Only 50 percent of the medical schools have organized programs in rehabilitation medicine. Training funds are needed to expand these programs and increase the number of residents. Without these funds, we can either expect undertrained physicians or less disabled people being served.

In conclusion, Mr. Chairman, the rehabilitation community owes much to the subcommittee for past support. Unfortunately, we must again request you add substantial amounts to the rehabilitation budget. However, such additions will produce benefits to disabled people which are certainly justified.

Thank you.

Senator Proxmire. Thank you, Doctor, for a very impressive presentation. You say unless we increase the administration's request, there will be no new starts and it will be necessary to cut funding for some research projects that are under way?

Dr. DiTunno. That's correct.

Senator Proxmire. That's very alarming.

Thank you.

STATEMENT OF DR. MARTIN ADLER, DIRECTOR, HELEN KELLER NATIONAL CENTER FOR DEAF-BLIND YOUTHS AND ADULTS, SANDS POINT, NY

PREPARED STATEMENT

Senator PROXMIRE. Our next witness is Dr. Martin Adler, director, Helen Keller National Center for Deaf-Blind Youths and Adults, Sands Point, NY.

[The statement follows:]

STATEMENT OF DR. MARTIN ADLER

Thank you for inviting me to testify before the Subcommittee. My name is Martin A. Adler and I am the Director of the Helen Keller National Center for Deaf-Blind Youths and Adults (HKNC) located on Long Island in New York.

HKNC is operated by the Board of Trustees of The Industrial Home for the Blind (IHB) under an agreement signed in 1969 with the United States Department of Health, Education and Welfare. The authorization for our operation is now contained within Title II of the Rehabilitation Amendments of 1984. We operate under the general supervision of the Rehabilitation Services Administration. The Center is located on a 25-acre wooded site in Sands Point, New York. The training, research and administration building, as well as the residence building, are specially designed and equipped to meet the accessibility and safety needs of trainees served.

The following objectives were mandated when Congress established the Center in 1969:

To provide initial assessment of physical and psychosocial functioning to determine feasibility for admission to HKNC for comprehensive rehabilitation services or for referral to other agencies qualified to provide them with services appropriate to their individual needs and interests;

To provide multidisciplinary evaluation to those deaf-blind individuals for whom rehabilitation seems feasible to determine their rehabilitation needs, interests and potentialities;

To provide individualized rehabilitation training, based on the findings of the evaluation, to achieve, as required in each case, (a) meaningful contact with the environment and effective means of communication, (b) constructive participation in the home and the community, (c) initial or enhanced employability, and (d) any other development important to the optimum rehabilitation of the deaf-blind individual;

To provide training for new and prospective specialists in services for deaf-blind persons;

To provide community education designed to sensitize both the lay and professional communities to the special needs and normal aspirations of deaf-blind persons and to develop in the community an acceptance of and confidence in persons who are deaf-blind;

To identify and locate youths and adults who are deaf-blind in order to develop a national register of these individuals which will provide information as to the composition and distribution of the deaf-blind population that will be helpful in the planning of services appropriate to the needs and interests of this population;

To encourage the initiation of and to cooperate in medical research into the causes of deaf-blindness and methods of reducing or eliminating these causes;

To conduct research into the implications of deaf-blindness for the personal adjustment, education and rehabilitation of the deaf-blind individual;

To innovate and/or improve approaches and techniques of rehabilitation that will best contribute to the promotion of the personal adjustment, education, rehabilitation and social and economic effectiveness of the deaf-blind individual;

To conduct studies, including follow-up studies of clients, to evaluate the effectiveness and appropriateness of services offered by HKNC;

To design and/or improve sensory aids that will reduce the handicapping effects of deaf-blindness;

To encourage and assist public and private agencies to develop services for deaf-blind persons in their local communities.

In order to achieve the Congressionally mandated objectives, we have developed five separate elements of service within HKNC:

I. REHABILITATION SERVICES -- All individuals accepted for evaluation and rehabilitation at HKNC are deaf-blind and frequently multi-handicapped. The overall purpose is to provide those individuals who generally have been isolated and ignored for many years with training in communication, education, daily living skills, mobility, industrial arts, prevocational activities, home and personal management, personal hygiene, speech therapy, audiological services, and complete counseling opportunities. Because our individuals are deaf-blind, without sight and sound and frequently without speech, we have no other alternative but to provide services almost on a one-to-one basis. The intensity of the intellectual and emotional effort required from staff to work with our deaf-blind trainees is demanding. Depending upon clients' abilities, our goals range from teaching deaf-blind individuals simple methods of caring for themselves out of institutions, or returning to live with their families. Other trainees may become so skilled that they may be able to be accepted into competitive employment.

II. RESIDENCE SERVICES -- To provide the housing and other support services necessary for the deaf-blind trainees to reside at HKNC while receiving the rehabilitation programs. In addition, the residence provides living quarters for workers who are receiving training in deaf-blind services, residence staff, and occasionally, parents of deaf-blind individuals who stay at the residence for a period of two or three days, observing the rehabilitative process.

III. RESEARCH -- Most deaf-blind individuals have no way of communicating with others unless they are in physical hand-to-hand contact. They cannot use the telephone or even the standard TTY. They may not have any idea when someone is at their door, when a fire alarm goes off, their telephone is ringing, or someone is attempting to break into their living quarters. We have developed and produced radio units called Tactile Communicators (T.C.) that provide radio signals for deaf-blind individuals within their homes. These signs are programmed for doorbells, fire alarms, telephones and other essential lifesaving services. A number of other countries, including Canada, Great Britain, and Russia have expressed interest in the T.C. for their deaf-blind.

IV. COMMUNITY EDUCATION -- The basic focus of our Community Education Department is to publicize rehabilitation and employment opportunities for deaf-blind individuals.

V. NATIONAL FIELD SERVICES -- The field services contain the major portion of the National Service Delivery System; the ten regional representatives, whose offices coincide with the ten federal regions; the HKNC National Training Team; and the Affiliated Agency Network System.

The regional representatives assist federal, state, and local agencies in developing and coordinating local services for deaf-blind persons in their communities. They also provide direct services to the deaf-blind and their families (719 individuals from 7/82 to 6/83). This included diagnostic services, technical assistance, counseling, vocational assistance, and advocacy services.

The HKNC National Training Team (NTT) provides training to personnel in private and state agencies, as well as to parents of deaf-blind youths and adults. The demand for its skills and presence in agencies across the country is outstanding. We have even received requests from abroad to pay for our team's presence. The activities of the NTT have led to the establishment for the first time of a master's degree program in deaf-blindness that is now co-sponsored by Western Maryland College and HKNC.

The Affiliated Agency Network System consists of 25 agencies within 23 states that have received start-up funding for up to 5 year periods to initiate deaf-blind programs. These agencies during the last reporting period worked with 831 deaf-blind persons, an increase of 35% from 1982. They received training and other support systems as well as being part of a coordinated system that enables these agencies to share problems, solutions, and expertise.

In June 1983 the Helen Keller National Center for Deaf-Blind Youths and Adults received a grant from Kansas Division of Services for the Blind to establish a statewide delivery system of vocational rehabilitation services to deaf-blind persons in Kansas.

The project will seek to provide some of the most comprehensive services available to deaf-blind adults through a state vocational rehabilitation agency. The project's objectives include statewide identification of the deaf-blind population, assessment of the population's needs, in-service training to service providers, outreach and cooperation with other state and private agencies, consultation and support to field personnel, job placement assistance, cooperative planning with educational programs for deaf-blind children, and other objectives.

This concept, in addition to the NTT, the regional representatives across the country, and rehabilitation training at headquarters, establishes a national service delivery system for the deaf-blind.

The above five systems do provide the country with a national service delivery system for deaf-blind individuals. They provide an integrated system of direct services, research, instruction and training, as well as the development of new or expanded local resources for deaf-blind persons. This national integrated system does meet the needs of most deaf-blind individuals and the agencies that service them. Because of the severity of deaf-blindness, it becomes necessary for a service delivery system to utilize numerous resources in order to meet the very basic needs of our deaf-blind citizens.

This federally funded national service delivery system for deaf-blind persons is hardly fifteen years old. The first ten years were focused on developing realistic rehabilitation programs, training staff to operate the programs, and convincing agencies throughout the country that deaf-blind individuals could be successful in rehabilitation programs. For the past five years, we have been emphasizing and exporting the skills and techniques of our staff to other agencies, developing a network where the agencies have shared further skills, problems, and successes as part of a coordinated national network of agencies for the deaf-blind. It has now become more apparent that deaf-blind individuals can work, live independently, or at least leave institutions and live in community residences.

Federal funding for these programs that do cross state lines is a necessity. At the present time, we are federally funded at $3.7 million, with approximately $400,000 received from state agencies for client fees. Funding for our facility has been proposed within Title II of the Rehabilitation Amendments of 1984. We were authorized to receive $4 million for Federal FY-84. Instead, we received $3.7 million. The $3.7 million was an increase of 5.7% from the previous year. This increase limited our service delivery system to basically a maintenance program with no expansion. Title II authorizes $4.2 million for Federal FY-85 or a 13.5% increase over the $3.7 million received in 1984. We hope to receive the $4.2 million. This additional $500,000 would be allocated in the following manner: Of the $500,000, approximately $157,000 or 31.5% would be distributed to some 131 members of the HKNC staff for salary increases. This would equal a very minimal 5% annual raise for highly skilled and very dedicated staff. 20% of the $500,000 or $100,000 would be assigned and added to our Affiliation Network system for a total of $284,000 during Federal FY-85. This would enable us to fund four to five additional agencies in developing services for deaf-blind individuals and becoming part of the national service delivery system. The remaining 48.5% or $242,000 would be used in the following manner: At the present time, there is no exact and systemized method of identifying who the deaf-blind are in our country. Although there is a national register of deaf-blind individuals developed by HKNC, our funding pattern in the past has not enabled us to set aside funds to develop a more exact register of who the deaf-blind are, where they live, the problems they encounter, the causative factors of deaf-blindness, and what can be developed to remedy at least some of the problems of our deaf-blind Americans. Research is needed but has to be based upon a more exact demographic base. We would plan to hire a demographic researcher, a computer programmer, and, like the Census Bureau, hire part-time individuals who have signing skills who would obtain the needed information for a more complete register. This would cost approximately $125,000 per annum. An additional staff person for our National Training Team would be hired. Salaries, travel expenses, and equipment would be approximately $40,000 to $50,000. The remaining approximately $70,000 would be used for direct services at our national headquarters in hiring additional staff for the increased number of lower functioning deaf-blind individuals referred to our Center.

Gentlemen, this is at best a very minimal expansion of a much needed program. It does not even take into account programs that are needed to assist in the transition of deaf-blind individuals from the educational system to the rehabilitation system. Thank you.

Dr. ADLER. Thank you for inviting us, Senator Proxmire.

The Helen Keller National Center is operated by the Board of Trustees of the Industrial Home for the Blind under an agreement signed in 1969 with the U.S. Department of Health, Education, and Welfare. The authorization for our current operation is now contained within title II of the Rehabilitation Amendments of 1984. We operate under the general supervision of the Rehabilitation Services Administration.

Federally funded national delivery systems for deaf-blind persons is hardly 15 years old. The first 10 years were focused on developing realistic rehabilitation programs, training staff to operate the programs, and convincing agencies throughout the country that deaf-blind individuals could economically and effectively be successful in rehabilitation programs.

For the past 5 years, we have been emphasizing and exporting the skills and techniques of our staff to other agencies, developing a network where the agencies have shared their skills, problems, and successes as part of a coordinated national network of agencies for the deaf-blind.

As Mr. James indicated shortly before, more and more severely handicapped individuals are becoming part of the rehabilitation program. The deaf-blind are now a part of that and very involved, and it has become more apparent that the deaf-blind can work, many competitively. Many can live independently or at least leave institutions and live in community residences.

In fact, right now, sir, on the Senate floor there is a resolution to pass the Helen Keller Deaf-Blind Awareness Week. That was initiated by Senator Leahy, and that will be distributed all over the country, emphasizing that even without sight and sound deaf-blind individuals can work, and it is good business.

One can be a miracle worker working with miracle workers.

Federal funding for our programs that do cross State lines is a necessity. At the present time we are federally funded at $3.7 million, with approximately $400,000 received from State fees for client activities.

Funding for our facility has been proposed within title II of the Rehabilitation Act of 1984. We were authorized to receive $4 million for fiscal year 1984; instead, we received $3.7 million at the administration's request.

The $3.7 million was an increase of only 5.7 percent from the previous year. This increase limited our service delivery program to basically a maintenance program. There was no expansion, and there will be no expansion under that.

Title II authorizes $4.2 million for fiscal year 1985, or a 13.5-percent increase. We do hope to receive the $4.2 million.

The additional $500,000 would be allocated for a minimum 5 percent salary raises for salaries across the staff for 131 staff people.

Twenty percent of the $500,000, or $100,000, would be assigned to our Affiliation Network Program, which would make from 3 to 4 to 5 agencies perhaps becoming part of the national delivery service system, where we do have agencies right now in 23 States—25 agencies in 23 States developing local services for the deaf-blind.

The remaining 48 percent, or $242,000, would be used in the following manner: At the present time there is no exact demographic data as to who they are or where they are or what are the problems that they face. We plan to develop a demographic register, a more complete, a more exact register than we have right now.

We will plan to hire a demographic researcher, a computer person for a basic registror of who the deaf-blind are, where they are, and what are the problems they face, and begin to do more concentrated research in that area.

The remaining money we plan to increase an additional staff person for a national training team that travels all over the country providing training opportunities for agencies that provide services with the deaf-blind.

The remaining also will be used to hire another additional behavior modification person to begin to work with our very lower functioning deaf-blind people that are coming out of institutions, and, they are really beginning to feel that deaf-blind people can do more for themselves.

This is a very minimal expansion of our program. It does not take into account even the transitional problems of moving many of the rubella children who are now of age, moving them from the educational systems to the rehabilitation system.

There is no linkage that involves the rehabilitation system and the educational system, in a sense integrating them before they leave the educational systems, and I believe the Department of Education is using that as one of their primary goals for 1985.

This is basically our testimony. Our more detailed testimony has been presented already. If there are any questions, sir, I would be happy to answer them.

Senator PROXMIRE. That is fine. Thank you very much, Doctor. We appreciate your testimony very much.

STATEMENT OF DR. KENNETH W. REAGLES, PRESIDENT, NATIONAL COUNCIL ON REHABILITATION EDUCATION

PREPARED STATEMENT

Senator PROXMIRE. Our next witness is Dr. Kenneth Reagles, president, National Council on Rehabilitation Education.

[The statement follows:]

STATEMENT OF DR. KENNETH REAGLES

Mr. Chairman, Members of the Subcommittee, ladies and gentlemen: My name is Kenneth W. Reagles, Professor of Rehabilitation Services at Syracuse University and President of the National Council on Rehabilitation Education (NCRE), an organization composed of professors, professional educators, in-service training specialists, and students. We prepare and maintain the competency of a variety of rehabilitation personnel who assist a portion of the estimated 21 million Americans with disabilities who require rehabilitation services to become competitively employed or to live their lives more independently.

I am especially pleased to have this opportunity to address the Subcommittee to express the views of NCRE regarding the matter of Rehabilitation Training since the President's 1985 budget request threatens to dramatically weaken one of the pillars upon which a network of quality rehabilitation services has been built.

Historical Perspective

The history of vocational and independent living rehabilitation services in America is well known. Since 1920 it has shone brightly as a beacon of hope for this nation's handicapped citizenry, as a model of a federal-state cooperative partnership, and as one of the most economically sound -- yet humanitarian -- programs Congress has had the wisdom to implement. The program has been so successful that it is one of the exemplary programs exported to developing nations as a model of public-private cooperation.

The hallmark of this program has been the individual approach by rehabilitationists to the unique needs of *each* disabled person. The importance of competently trained, qualified rehabilitation professionals capable of responding to the complex and varied needs of the disabled was recognized more than 30 years ago and reflected in federal support for the preparation of rehabilitation personnel, this resolve was strengthened during the past year by mandating that rehabilitation personnel responsible for implementing the Rehabilitation Act be "qualified."

Congress has realized the necessity of having an empirically-based system of rehabilitation services, borrowing heavily from the successful models of medicine and industry. In few programs has the complementary relationship among research, education and training, and service been so successfully implemented. The ability to provide *quality* rehabilitation services is directly related to the *qualifications* of providers.

Recognition of the need for qualified personnel led to the development of a network of universities offering *pre-service* professional education programs at the undergraduate and graduate levels in the following specialty areas:

- Rehabilitation Facility Administration
- Job Development and Placement
- Vocational Evaluation and Work Adjustment
- Rehabilitation Specialists for the Visually and Hearing Impaired, Mentally Ill and Retarded, and other Client Groups
- Allied Health Specialties
    - Speech Pathology and Audiology
    - Occupational Therapy
    - Physical Therapy
    - Social Work
    - Nursing
    - Psychology
    - Therapeutic Recreation
- Rehabilitation Medicine

Continuing education and *in-service* rehabilitation training resources were developed to meet practitioners' needs to maintain their knowledge of contemporary rehabilitation practices as discovered through the efforts of researchers and program evaluators and to respond to changing program priorities. In sum, Rehabilitation Training has emerged and taken its place as an essential, integral part of the rehabilitation system.

Impact of Proposed Funding

The Administration has taken the position that the funding for Rehabilitation Training should be reduced by 77% to a mere $5 million. In addition, the Department of Education in explaining the Administration's position has stated that the $5 million of support would be focused on "preservice training which addresses identified shortages of rehabilitation personnel."

To appreciate the dramatic nature of the Administration's proposal for reduced funding for Rehabilitation Training it is useful to present a brief retrospective analysis of funding for this important program:

> In 1975, appropriations for rehabilitation training were $19.8 million with 38 educational institutions receiving support. The number of institutions had increased to 72 by 1970, and in 1979 the program of Rehabilitation Training had reached its zenith of federal support at $30.5 million — although it had been authorized for $50 in 1982. In 1983, 229 rehabilitation training programs (preservice and continuing education) as well as 76 state VR in-service programs were being supported, in part, by only $19.2 million. Congress in 1984 wisely increased the appropriation to $22 million in an attempt to repair the damage of several years of inadequate funding, and authorization for FY85 is for $27.0 million.
>
> The Congressional decision to focus training support on areas of personnel shortages and deficiencies in personnel skills was

meant to eliminate the practice of arbitrarily allocating training grants, rather than to reduce overall support. Congressional support for *both* preservice and inservice training is made clear in the Conference Report accompanying the recently enacted Rehabilitation Act Amendments (H.Rpt.No. 98-595), which states: "It is the intent of the conferees that the term 'personnel shortage' apply not only to shortages in numbers of personnel, but also to deficiencies in levels of personnel skills...it is essential to maintain and upgrade the skills of presently employed personnel, as well as to increase the number of personnel in shortage areas, in order to meet current and projected vocational rehabilitation service needs."

Despite the clear intent of Congress, the Administration would discontinue inservice training and continuing education to upgrade skills of existing personnel. The allocation of the fiscal 1984 appropriations provides approximately $12 million for preservice training and $10 million for inservice training. The Administration's proposal would eliminate entirely the important program of continuing education and nearly eliminate the capacity of educational institutions to attract qualified students to pre-service rehabilitation training programs.

N.C.R.E. Recommendation

The national Council on Rehabilitation Education recommends *an appropriation of $27 million for FY 1985.*

Justification

In addition to ignoring the intent of Congress relative to *funding levels* and types of training — both preservice *and* continuing education — NCRE believes that funding at the $27 million level is justified for the following reasons:

1. *Shortages of Personnel.* While a definitive study of rehabilitation personnel needs remains to be conducted by RSA or NIHR, there is ample evidence that shortages exist for trained rehabilitation personnel:

- Fewer than 50% of rehabilitation counselors currently employed by state VR agencies meet the definition of "qualified," i.e., they do not have a masters degree or are not certified (thereby impairing the quality of rehabilitation services).
- A study (Menz, 1983) of rehabilitation personnel needs of rehabilitation facilities revealed that such facilities, while employing an average of 23 rehabilitation professionals in 1980, projected the need for 43 such personnel by 1990 — an 87% increase in the need for trained, qualified personnel.
- The same study revealed that the greatest need was more rehabilitation counselors, vocational evaluators, work adjustment specialists, job placement personnel, and specialists in independent living.
- As the mandates of the Rehabilitation Act have been implemented, the need for more competently-trained personnel has been observed. The challenges of the *severely disabled*, the provision of *independent living rehabilitation services*, *client assistance services*, and the *human rights and accessibility issues* of Sections 503 and 504 of the Act require more rehabilitation personnel trained with the competencies to meet these challenges.
- New programs and new client populations demand more rehabilitation personnel, too. As the Department of Education prepares

to implement *programs of transition* for students with disabilities from the school environment to the adult, community environment, the need for additional rehabilitation personnel--who are experts in transition--becomes even more obvious. Additionally, programs of *supported work* for the severely disabled, wherein rehabilitation personnel assist the disabled in the actual conduct of work and with related adjustment problems during a transitionary process, thereby allowing the severely disabled to compete in the competitive labor market and become productive members of our society.

- The introduction of *new technology*--including the use of computers to enhance the capabilities of the disabled, microcircuitry, new surgical and medical techniques, and newly discovered rehabilitation principles across disability types and among rehabilitation providers--interacting with a *more complex world* requires rehabilitation personnel who have more training and experience, not less.

- The *management, administration,* and *evaluation* of rehabilitation programs, agencies, and facilities has encountered the same economic realities as has American businesses and industries in the private sector. In addition, as more paraprofessionals and peer rehabilitation workers assist professional rehabilitation personnel, the need for *rehabilitation supervisory personnel* becomes extant. The Menz study (1983) revealed that in rehabilitation facilities alone, *a 69% growth* in the numbers of rehabilitation administrators and supervisors is projected to 1990.

2. *Continuing and in-service rehabilitation training* are integral parts of the total rehabilitation training effort intended to maintain the knowledge and competencies of qualified rehabilitation personnel to meet the needs of persons with disabilities in a dynamic contemporary world. The justification for continued and enhanced federal support for continuing education is warranted from several points of vantage:

- A network of *regional continuing rehabilitation education centers* has been developed with federal and state support which serve an important linkage between research and development and practice. These centers are able to respond to the unique needs in their respective geographical locales, and yet, because of the national scope of the network, they bring a standard of uniform quality--and efficiency--to continuing education activities. *Such capacity should not be destroyed* by the ill-advised plan to focus only on pre-service education.

- The Administration has stated that they intend for the states to assume the responsibility for continuing education. Even if the elimination of continuing and in-service training weren't contraindicated for other reasons, the manner in which the Administration intends to abdicate its involvement is entirely inappropriate and wasteful. To withdraw $10 million of resources without giving the states an opportunity to even plan for such a withdrawal would completely devastate this important element of the rehabilitation research, training and service model. The time it takes to translate the results of research into practice is already untimely; the disruption to this process, which would occur if the Administration's unwarranted plan is implemented, would delay the process even longer, thereby reducing the quality of services to the disabled.

- Rehabilitation personnel want and need continuing education. Willis (1984) in a study of 676 rehabilitation practitioners, selected by a stratified random sampling procedure from a variety of rehabilitation disciplines, reported that *80.4% felt that continuing professional education improved their ability to provide quality services* to persons with disabilities. The same study documented the perception that *continuing education could not be substituted for pre-service education as a means for preparing personnel* for the demands of rehabilitation practice, as some states have attempted to do. Willis also found that while 98% felt continuing education activities were relevant for professional practice, 50.3% expressed concern and dissatisfaction with the availability of continuing education opportunities. Thus, it may be concluded that the *continuing education and in-service training efforts should be strengthened, not eliminated.*

* Rehabilitation educators and professional trainers are also in need of continuing education to remain contemporary regarding their need for new information and techniques to transmit to students and trainees. New client populations, new legislative mandates to require training in certain subject matter (e.g., Sections 503 and 504 of the Act) and new program dimensions (e.g., independent living skills, supported work concepts) require that educators and trainers have continuing education resources available to them as well.

In sum, the need for enhanced resources for Rehabilitation Training--preservice *and* continuing education--is entirely justified, and NCRE respectfully requests that this program be funded at the authorized level of *$27 million for FY 1986.*

Thank you for this opportunity to explain the importance of the Rehabilitation Training program to the efficiency and effectiveness of the larger program of Vocational and Independent Living Rehabilitation by which nearly 1 million persons with disabilities annually are assisted in their efforts to become productive members of our society.

Dr. REAGLES. As indicated, I am the president of the National Council on Rehabilitation Education. We represent university professors, professional trainers, and others who are responsible for the preservice education and the continuing education of the individuals who deliver rehabilitation services to approximately 1 million individuals annually.

As Mr. James indicated, the State/Federal program of rehabilitation, begun in 1920, recognized in 1954 the need for an empirical base for a sound rehabilitation practice and so initiated the Research and Demonstration Program, and in that same year authorized the Federal support of professional rehabilitation education leading to the support of the training of rehabilitation counselors, rehabilitation evaluators, work adjustment specialists, more recently rehabilitation administrators, and a variety of human service professionals who deliver vocational and independent rehabilitation services.

The training component, which last year was funded at a level of $22 million, has been recommended by the administration to be reduced 77 percent to $5 million for the forthcoming fiscal year. Of that, that will be spent exclusively, according to the administration's recommendation, on preservice education at the expense of the continuing education needs of the individuals who are presently practicing and delivering rehabilitation services.

Our concern, of course, is very obvious, in the sense that if the funds are reduced to only $5 million for preservice education, that will not even come close to meeting the needs for trained rehabilitation personnel. Presently, less than 50 percent of rehabilitation counselors employed by State rehabilitation agencies do not meet the definition of qualified.

That is, in the instance of rehabilitation counselors, they do not have a master's degree. What happens is that the individuals who are disabled and need rehabilitation services get a quality of service that is diminished from that which they could expect if, in fact, these individuals were properly trained.

At—an institution in Wisconsin, the University of Wisconsin at Stout, a researcher by the name of Minns, did a study of the rehabilitation and manpower needs and rehabilitation facilities and found that by 1990 an 87-percent increase in rehabilitation personnel would be needed, and most of these——

Senator PROXMIRE. How large an increase?

Dr. REAGLES. Eighty-seven percent. He found that——

Senator PROXMIRE. Within the next 6 years?

Dr. REAGLES. That is correct.

Presently, rehabilitation facilities have an average of 23 professionals. That is expected to increase to 43 by 1990.

He found that within the total need for rehabilitation personnel, that the greatest need was for rehabilitation counselors, vocational evaluators, work adjustment specialists, job placement specialists, and independent living specialists.

You have heard a number of new initiatives being proposed to deal with the problems of the severely disabled, especially students as they transition from the school environment into the community environment, needing special education and a rehabilitation specialist to assist them with that transition.

You have heard about the supportive work concept, in which individuals who are severely disabled are assisted in their efforts to achieve and maintain employment, being supported during the transition phase while they are able to do that.

In addition, we have new technology—the application of computers, microcircuitry, and other kinds of technological changes that have made it possible for the severely disabled to lead more independent lives. But that has been done with the assistance of competently trained professionals, and so we are advocating, of course, for additional funds for the preservice education of rehabilitation practitioners, including, in addition, individuals who are skilled in management, administration, and evaluation of rehabilitation programs.

The economic realities of the contemporary times have hit rehabilitation as well as persons in business and industries. Because of the shortage of trained rehabilitation personnel, there has been an increased use in the use of paraprofessionals and peer rehabilitation workers who need supervisory personnel to assist them in their efforts.

So, in sum, the proposal by the administration for only $5 million for preservice education, we believe, is totally inadequate.

In addition, there is, as Dr. Scalia indicated, a complete wipeout of the $10 million that was spent last year for continuing education and rehabilitation services. There has been a network of rehabilitation, particularly in continuing education services, established across the country which link research and practice. They respond to the unique training needs within the area, but they also maintain a national standard of quality with respect to rehabilitation continuing education.

These, under the plan of the administration, will be completely eliminated. The administration proposes to fund continuing rehabilitation education efforts by the State agencies without any planning, proposing to turn this over to the States next year.

Our concern is multifold. One is that we believe that any attempt to fund continuing education by the States would be drawn from case service moneys and, therefore, reduce the amount of money that would be available to rehabilitate more disabled individuals or to reduce the quality of those services.

In addition, having the continuing education efforts assumed by the States would reduce the overall quality of the program and make it inefficient, ineffective, and reduce the standard of training that we have come to expect. Rehabilitation personnel want and need continuing education.

A man by the name of Willis did a survey just published recently, which indicated that while 94 percent of rehabilitation practitioners wanted and expressed a need for continuing education services, less than 50 percent of them found that those services were available and vitally needed.

In addition, individuals such as myself— rehabilitation educators—require continuing education services as well. As the changing technology has occurred, we need access to that information to transmit it to our students.

There are just a couple of issues that I would like to mention. One is that——

Senator Proxmire. Your time is up, but we will give you another moment.

Dr. Reagles. I will be very brief.

We would like to strengthen the peer review process. Currently, it is done in a way that is not intended. Reviewers are not selected nationally.

The review this year is not going to be conducted in Washington, so that the Rehabilitation Services Administration staff will not be present to observe those deliberations, and the panel members in many instances are not peers. They are actually Federal employees.

We ask for your timely consideration of the appropriation bill to forestall the kinds of problems that are inherent when those moneys are not available.

Again, our request is for $27 million for rehabilitation training, a modest increase from the $22 million this year, and the restoration of the continuing education activities of the Rehabilitation Training Program.

Senator PROXMIRE. If you could provide a copy of the study that shows an 87-percent increase in rehabilitation personnel will be needed by 1990, I would appreciate that very much.

Dr. REAGLES. OK. It is in my briefcase over here.

Senator PROXMIRE. Good. Then you can leave it with us.

Thank you.

STATEMENT OF RITA M. TAUNTON, EXECUTIVE DIRECTOR, UNITED CEREBRAL PALSY ASSOCIATION

ACCOMPANIED BY KATHLEEN ROY, POLICY ASSOCIATE, GOVERNMENTAL ACTIVITIES OFFICE, UNITED CEREBRAL PALSY ASSOCIATION

PREPARED STATEMENT

Senator PROXMIRE. Our next witness is Rita M. Taunton, executive director, United Cerebral Palsy Association.

Ms. TAUNTON. With me I have Kathy Roy, who is with the United Cerebral Palsy Washington office, who will provide any information that I might not have for you.

I run a community program in south Arkansas and have been involved with the UCP since early 1970, and during this period of time I have had a number of experiences that I hope that I can relate to you. But with my southern drawl I might not be able to get it all worked in.

We have a number of programs that we are interested in, and due to the time limitations I won't be addressing vocational rehabilitation and the National Institute of Handicapped Research and Child Health Care, but these are covered in our written testimony. So if you will refer to those pages.

Senator PROXMIRE. Yes; your written testimony will be printed in the record in full.

[The statement follows:]

STATEMENT OF RITA M. TAUNTON

INTRODUCTION

Testifying today on behalf of United Cerebral Palsy Associations, Inc., is Ms. Rita Taunton, Executive Director of UCP of South Arkansas. Ms. Taunton has been involved with this affiliate since 1974. UCP of South Arkansas offers a unique example of an affiliate which is striving to meet the needs of developmentally disabled persons who reside in rural communities. For example, Ms. Taunton's affiliate has been instrumental in helping establish a Day Service Center which provides a variety of services to both children and adults with disabilities. Through these services, these persons are enabled to improve their functional ability and work toward becoming independent adults. UCP of South Arkansas has also helped establish several group homes which currently help 14 severely disabled adults live more independently in their own communities. In addition to her work with UCP of South Arkansas, Ms. Taunton serves on the UCPA national Governmental Activities Committee. This committee is responsible for setting the legislative priorities for the agency. We think that Ms. Taunton will give the Committee a great deal of insight into the needs of persons with developmental disabilities.

THE EDUCATION FOR ALL HANDICAPPED CHILDREN ACT

P.L. 94-142, the "Education for All Handicapped Children Act" continues to be a primary concern of UCPA. Prior to the enactment of P.L. 94-142, many children with cerebral palsy were either unserved, or received services which did not fully meet their needs. Now, children with cerebral palsy are being served by our public school systems and are looking forward to bright and promising futures. Indeed, while UCPA continues to work with state and local education agencies to assure that the provisions of the law are fully implemented, we are encouraged that a generation of our children are now receiving an appropriate education and will be able to take their rightful places in our society. Many of these children are receiving the learning skills which will enable them to obtain meaningful employment and live and work in their communities alongside their non-disabled peers. It is because of our enthusiasm for P.L. 94-142 that we are dismayed that the Administration has requested level funding for the Basic State Grant programs. It is important to recognize that, while this program has received modest increases in appropriations over the last three years, the percentage of the national average per pupil expenditure (NAPPE) has declined. In the late 1970s, the federal government paid 12% of the NAPPE, yet currently it pays only 8%. With constricted budgets at the state and local level, children and their parents have clearly suffered from the federal government's failure to maintain funding at 12% of the NAPPE. Further, one must recognize that when P.L. 94-142 was enacted, it promised to pay 40% of the NAPPE per handicapped child.

We join with the Consortium for Citizens with Developmental Disabilities (CCDD) in recommending that this program receive $1,334.8 billion for FY 85. This appropriation would restore the Basic State Grant program to 12% of the NAPPE. This figure will assure that state and local education agencies continue to provide a free and appropriate public education to all handicapped children.

UCPA is a leader in serving young handicapped children and has always maintained a keen interest in the Preschool Incentive Grant program which was authorized through P.L. 94-142. The purpose of this program is to encourage states and localities to improve and expand the early intervention services they render to handicapped children ages 0 through

5 years. In addition to the critical early diagnosis and treatment services, this program helps train parents to work more effectively with their handicapped preschoolers. When this program was originally authorized, it envisioned a formula grant to the states which would pay up to $300 per handicapped preschool child served in each state. Based on the most recent child count (school year 1982-83) of 242,104 children, this formula would have generated $72.63 million. With this in mind, we find it very disturbing that the Administration has requested that this program be "frozen" at its FY 84 level. We join with CCDD in requesting that this program receive $36.31 million for FY 85. It is important to note that the "Education of the Handicapped Amendments of 1984" (P.L. 98-199) stressed the provision of services to young handicapped children in a variety of ways. In light of the increased emphasis on these youngsters and the universal acknowledgement of the importance of these services, we urge that $36.31 million be appropriated for this program.

Finally, there are a number of programs in the "Education of the Handicapped Amendments of 1983" (P.L. 98-199) which are of interest to UCPA. These include the newly authorized Parent Training and Information Grants, Transitional Services, and the expansion of the Handicapped Children's Early Education Program (HCEEP). Time does not permit us to address fully the appropriation figures for each of these programs. However, the Council for Exceptional Children and others will be discussing these programs in detail with the Committee. UCPA is eager to see these programs adequately funded, and we will work with the Committee and our sister agencies to achieve this goal.

VOCATIONAL REHABILITATION

Basic State Grants

Section 110 of the "Rehabilitation Act of 1973" as amended, authorizes the federal government to enter into partnership with states to provide rehabilitation service to persons with disabilities. This federal/state program has consistently been proven to be cost-effective in rendering comprehensive services to persons with physical and mental disabilities. The goal of the services offered vocational rehabilitation agencies is to enable the disabled person to become gainfully employed.

Persons with cerebral palsy often present unique challenges to the vocational rehabilitation system because they may be mentally alert and capable of achieving professional career objectives, but may have severe speech and coordination problems which require the vocational rehabilitation counselor to apply rehabilitation engineering techniques in modifying the worksite. Or the client with cerebral palsy may be mentally retarded and/or multiply handicapped and therefore need special attention in developing his or her employment potential. In any case, UCPA recognizes that the services rendered by vocational rehabilitation are essential to enabling persons with cerebral palsy to achieve their full human potential.

Perhaps the best justification for an increase in appropriations for the Basic State Grant program comes, not from examples of programmatic achievements, but from the House Report (H. Rpt. 98-298) which accompanied the recently enacted amendments to the Rehabilitation Act (P.L. 98-221). The report states in part:

> "Congress mandated in 1973 that priority in vocational rehabilitation service be afforded the severely disabled. Although it is more expensive to serve this group, they are more dependent on public support and less likely to find employment

> without rehabilitation services than are the non-severely disabled. As it costs two to two and one-half times more to rehabilitate the severely disabled client, adequate funding levels need to be provided to implement the law as Congress intended."

This same report goes on to state that RSA estimates "that for every dollar spent on vocational rehabilitation, there is a return in excess of $10."

UCPA joins with both CCDD and the Rehabilitation Coalition in recommending that $1,117.5 million be appropriated for FY 85. This figure is consistent with the newly authorized levels for this program. In recent years, state rehabilitation agencies have suffered a loss of resources due to inflation and to the decrease in funds available to the states through the Social Security Rehabilitation Programs. (These programs have declined from $124 million in FY 81 to an average of less than $10 million annually since FY 82.) The figure we are recommending will help restore the purchasing power of the "rehabilitation dollar."

In addition, we respectfully request the Committee to favorably consider a supplemental appropriation of $33.9 million which would bring the Basic State Grant program to $1,037.8 million for FY 84. This would bring this program to its fully authorized amount and would assure that severely disabled persons (such as persons with cerebral palsy) are adequately served.

INDEPENDENT LIVING

Title VII of the "Rehabilitation Act of 1973" as amended, entitled "Comprehensive Services for Independent Living" is designed to provide independent living services to meet the needs of individuals "whose disabilities are so severe that they do not presently have the potential for employment but may benefit from Vocational Rehabilitation services which will enable them to live and function independently." When it was enacted in 1978, this program was intended to provide disabled persons with such services as attendant care, wheelchair repair, peer counseling, and variety of other services with the goal of allowing these persons to live as independently as possible. For persons with cerebral palsy, the provision of these services may mean living in one's own apartment for the first time as opposed to living in a nursing home or institution. Further, it must be pointed out that as our affiliates begin to provide adult services, one of the most crying needs remains the ability to provide clients with independent living services.

UCPA and many of our sister agencies have worked diligently since this program was enacted to assure that Title VII is adequately funded. Yet, in FY 84 the Independent Living programs received only $22 million, and all of these monies were earmarked for Part B Centers for Independent Living. We believe the time has come to implement all of Title VII to enable persons with disabilities to live with dignity within their communities. The conferees of the recently enacted "Rehabilitation Amendments of 1983" (P.L. 98-122) echoed this concern in the conference report (H. Rpt. 98-595). They stated:

> "The conferees wish to strongly endorse the full implementation of the independent living concept through funding for part of title VII, which authorizes a statewide comprehensive service delivery system for the severely handicapped. Cooperatively with the centers funded through part B of this title, services made available through part A would enhance, expand and stablilize the independent living program. Although only five years old, independent living centers have demonstrated that there are

> cost-effective alternatives to institutional care for the severely handicapped and that persons with the most severe disabilities can improve their capacity to function in the employment market or in preparation for employment."

UCPA joins with CCDD and the Rehabilitation Coalition in recommending that Title VII receive $49.0 million for FY 85. An appropriation of this amount would allow Part A, Comprehensive Services for Independent Living to be funded at $25 million; Part B, Centers for Independent Living, to be funded at $22 million; and Part C, Services for Older Blind Persons, to be funded at $2 million. We firmly believe that these monies are a profitable investment in the lives of disabled persons, and we strongly urge the Committee to give this request serious consideration.

NATIONAL INSTITUTE OF HANDICAPPED RESEARCH

The National Institute of Handicapped Research (NIHR), which was established under the "Rehabilitation, Comprehensive Services and Developmental Disabilities Amendments of 1978" promotes expanded research in both traditional and innovative fields of rehabilitation. The Institute is responsible for research related to medical, social, psychological and vocational rehabilitation services. It is also responsible for research related to environmental aspects of rehabilitation equipment and devices. The statutory priorities of the Institute are support of rehabilitation research and training centers, engineering research projects and centers, spinal cord injury research, and research regarding the aged and children.

We believe that the research which is being conducted by NIHR is extremely valuable and will substantially improve the lives of disabled persons in the years to come. We are especially pleased that NIHR has recently increased its emphasis on field initiated research. Such research will allow creative ideas to generate from professionals in the field who should be knowledgeable about the needs of persons with disabilities. While we are enthusastic about the work being done by NIHR overall, we remain deeply concerned that the Institute has not placed a priority on research related to employment. Over the last several years we have pointed out that only one Rehabilitation Engineering Center (Center Industries Corporation which is affiliated with UCP of Kansas) is primarily concerned with employment. Unfortunately, this is still the case. There has been a great deal of emphasis placed on employing disabled persons during this Administration. UCPA and many of our sister agencies heartily endorse this new thrust. Yet, without increased research input, technology which will increase employment opportunities for disabled persons, (and especially severely disabled persons), we fear that many of these new employment initiatives may not be completely successful. Thus, we urge the Committee to encourage NIHR to place greater emphasis on research into the employment problems faced by disabled persons.

We join with CCDD and the Rehabilitation Coalition in recommending that NIHR receive $40 million for FY 85. Such an increase would permit only $2.5 million over actual spending levels for FY 84. This is approximately a 7% increase over FY 84 spending.

TITLE XX SOCIAL SERVICES

Monies provided through the Title XX Social Services Block Grant provide a variety of important services to severely disabled persons. Services including transporation, home-health services, homemaker and chore services, and counseling are a few examples of ways this program assists persons with disabilities. Title XX services are crucial to creating community-based services which provide alternatives to institutionalization. This program now receives $2.67 billion.

This program is probably the single most important program to persons with severe disabilities because Title XX provides numerous services to persons with disabilities in the community. S. 2053 is currently pending consideration in the Senate Finance Committee. This bill would attempt to transfer Medicaid funds, over a period of time, from "institutional" to "community" settings. While the majority of members of the disability community agree that the goals of S. 2053 are laudable, many persons are equally concerned that the community-based services do not currently exist. However, UCPA believes that Title XX can play a vital role in establishing and maintaining a variety of community-based services such as attendant care, adult day activities for severely disabled adults, infant stimulation programs and a variety of other services which will meet the needs of severely disabled persons in their own communities.

UCPA joins with CCDD in recommending that Title XX Social Services be funded at $2.7 billion for FY 85. In the event that Congress raises the Title XX ceiling for FY 85, we recommend that the increased level be fully funded. In addition, we recommend that the Community Services Block Grant and the WIN program be maintained as separate and viable programs and not be subsumed within Title XX as the Administration has recommended. If the Congress were to agree to the Administration's proposals, the Title XX program would be expected to finance $3.3 billion worth of current program activities with only $2.7 billion.

THE DEVELOPMENTAL DISABILITIES ACT

State Program Grant

The Developmental Disabilities State Grant Program provides funds for coordinated, comprehensive services to developmentally disabled persons who have severe life-long handicaps beginning early in life. These handicaps result in substantial limitations to self-care, learning, mobility, self-direction, and the ability to become economically self-sufficient. The Basic State Grant Program is responsible for planning, evaluating, coordinating and advocating for services to this vulnerable segment of our society.

The state DD Councils have proven their effectiveness time after time. In many states, they have become an important catalyst for change within the service delivery system. As such, these Councils have been able to access such services as community living arrangements, early identification and screening to young children with developmental disabilities, employment opportunities, and many other services for persons with developmental disabilites. Many DD Councils have also worked effectively with their state legislators to maximize the number of state and local dollars which serve persons with developmental disabilities as well as to effectuate policy changes which will improve the quality of life for persons with disabilities.

In their testimony before the House authorizing committee, the National Association of Developmental Disability Councils (NADDC) provided the following outstanding example of the efforts being made by DD Councils. In Georgia, as result of several workshops held in 1980, the DD Council determined that one of the greatest gaps in services was support for parents whose children are developmentally disabled. They then planned and implemented the Parent to Parent Program in Georgia. People who had successfully parented a developmentally disabled child were identified and trained to serve as "Supporting Parents" to parents whose child was newly identified as having a developmental disability. Professionals in local communities assisted in training; hospitals, schools and human services agencies were apprised of the resource; and the media aired public service announcements. As a result of this effort, over 250 supporting parents have been trained as volunteers and are on 24-hour call. The Council then assisted Parent to Parent in becoming incorporated, seeking and receiving funds from the Georgia General Assembly for their continuation. Through this program, parents are provided emotional support and program information. They are better able to handle the stress related to having a child with a disability and more quickly apprised of services available. Of the 200 referrals, only one child has been placed in an institution. Because of the quick service entry, children are receiving excellent early intervention and the potential impact of the disability is minimized. And the program was developed by two 3/4 time DD staff persons. The DD Council supported the University Affiliated Facility in Georgia applying for DD discretionary funds and, as a result of a $98,000 grant, the UAF will provide training through regional workshops to assist all states in this nation establish their own Parent to Parent Programs.

UCPA joins with CCDD in recommending that the Developmental Disabilities Program receive $55 million for FY 85. This figure represents the authorized levels for FY 1979 which were dramatically reduced during the 1981 reconciliation process. Moreover, there has been no real dollar growth in this program since 1980, even though inflation has continued to rise. As we have demonstrated, the state DD Councils continue to facilitate important changes in the states on behalf of persons with developmental disabilities and their families. Our recommended appropriation level is intended to bring the Developmental Disabilities State Grant Program to a level commensurate with the mandated responsibilities of the program.

PROTECTION AND ADVOCACY

Protection and Advocacy systems (P&As) function in all 50 states and four territories. They are one of the most important components of the Developmental Disabilities program because they articulate the rights of persons with developmental disabilities, many of whom reside in institutions where they may receive inadequate care. They also provide personal and systematic advocacy services to developmentally disabled persons who reside in the community. Finally, parents of developmentally disabled children often look to the P&As for direction in finding services for their children. While P&As have the capacity to bring legal action on behalf of their clients, they have developed a tradition of successful negotiation, settling 97% of their cases without resorting to litigation.

The growing trend within the Developmental Disabilities community is to place persons with disabilities in community-based settings. Most professionals and advocates agree that serving individuals with severe disabilities within the community will foster personal growth and development and assure more individualized care. But to the individual who has spent 20 years residing in an institutional setting, making the transition to a community-based setting may be a frightening and bewildering experience. UCPA firmly believes that P&As can play vital role in assuring that community-based settings become a viable alternative. First, P&As can help the developmentally disabled individual to better understand and use the services available. Second, P&A's will provide help to assure that services the individual is receiving are meeting that individual's needs. As these community-based services become a reality, such individual advocacy will be critical for persons with developmental disabilities.

UCPA joins with CCDD in recommending that the Protection and Advocacy Systems receive $15 million for FY 85. It is important to note that the minimum allotment to states for protection and advocacy services has remained at $50,000 since 1977. The increase in funding we are requesting would allow this minimum level to be raised, thereby providing an adequate program in every state. This funding level reflects the 1981 authorization prior to reconciliation.

MATERNAL AND CHILD HEALTH BLOCK GRANT

The Maternal and Child Health Block Grant provides federal assistance to the states for health services for pregnant women, infants, children, and adolescents who would not otherwise have access to needed health care because of their economic status or the lack of medical specialists in the areas where they live. The health services provided have a strong preventive thrust and a number of studies have found them to be highly successful in improving the health and mothers and children, and in reducing infant mortality, mental retardation, and other developmental disabilities.

One of the greatest concerns of UCPA has always been the prevention of cerebral palsy and other developmental disabilities. The prenatal services rendered by the MCH block grant are imperative to the prevention of these developmental disabilities. We are quite concerned to read in a recent issue of the *National Journal* that, while the overall infant mortality rate is the lowest it has ever been in recorded history,

> "Black babies still die at nearly twice the rate that white babies do. In 1981, the latest year for which race-specific statistics are available, the death rate for blacks infants was 20 per 1,000, compared with 10.5 for whites. Put another way, the death rate for black infants was higher two years ago than the rate for whites was 17 years ago."

We find this a very disturbing trend which augments the need for increased funding for the MCH block grant. Not only will these services help prevent infant mortality, but they also will enable the medical community to detect any developmental disability early enough so that the effects of the handicapping condition can be significantly decreased and perhaps eliminated.

UCPA joins with CCDD in recommending that the MCH block grant receive $499.5 million for FY 85. This increase is needed because Medicaid cuts and sustained high unemployment in many states since 1982 have reduced the ability of state governments to meet revenue short fall and dramatically increased and demand for MCH services. In addition, health care costs have continued to rise at a rate of 11% per year. An appropriation level of $499.5 million would begin to restore this program to its actual 1981 purchasing power and assure that mothers and young children receive quality medical services.

Ms. TAUNTON. And, of course, Kathy will answer any questions that you might have on that.

The UCP continues to be concerned with Public Law 94–142. We think that we have seen a tremendous amount of progress.

I can give many examples of children who are now in public schools, who are functioning there; whereas, in the early 1970's we couldn't even get the public school to enroll them. They just turned us away and did not think they would fit in in any way.

That has all changed. We are able to coordinate with the LEA's; we are making a real smooth transition. But we still have some problems with the funding.

We do recommend that it be funded at $1,334.8 million for fiscal year 1985.

In addition to that, the preschool incentive programs are really important to us. We felt for a long time that the main thrust should be in early childhood education, and in our State, in particular, we are not seeing much done in this area because we are still struggling with the primary emphasis on Public Law 94–142 for what we are serving with the school age population.

And we want to see more funding made available for the preschool area, and we are recommending an appropriation of $36.31 million for that.

We are seeing a number of children that are being referred on into the public schools and having a lot of success, but we feel like with this appropriation it can be done much better.

Another area that I wanted to talk about is the Developmental Disability Act. This has been tremendously important to us for what I call gap filler services. Of course, we are involved with the planning and the advocacy of that sort of thing, but without this we would not have been able to start up our early intervention projects.

We have also used it extensively for starting up some of our community group homes. So these things are important for us to continue to see the kind of progress that we are now experiencing.

We recommend an appropriation of $55 million for DD.

In addition to that, the protection and advocacy is one of the most important components of the DD Act, and we feel that these services are most valuable to the parents. The parents aren't always equipped to deal with everything that they have to with the due process procedure. It is mindboggling for many of the parents that we are working with, and, of course, there are many developmentally disabled people that are in institutions who need this type of service.

We are recommending that the appropriations be $15 million for fiscal year 1985 for protection and advocacy.

The final topic that I want to address is title XX. Without title XX, we could not continue our community living that we have in our State, and I think there have been a lot of other States that are depending on this for a variety of community services.

This is the only source of funding that we have for our group homes, and the one that I am responsible for serves 14 young men who have been very successful in learning practical living skills, and some have moved on out into apartment living. Some are living out in the community. So we are seeing a lot of success with the programs that we are offering through the title XX funding.

So we would really like to see this one appropriated at the $2.7 billion that has been recommended by UCP.

To give you an example—and this is something I found really interesting in our community, and, of course, we are in the Bible Belt in south Arkansas, where we have a lot of straitlaced Baptists.

One evening I ended up going out to a local nightclub with a group of people—had not been there before—to see what the clientele might be like. And when I arrived, I first met a deacon from my First Baptist Church that I attend, and the next person I saw was one of my Sunday school teachers, and then the next——

Senator PROXMIRE. Sounds like quite a nightclub. [Laughter.]

Ms. TAUNTON. The next person that came up to meet me was an individual that lives in our group home. He was there with his date. Very much enjoying his evening, very appropriate, and without the title XX funding he would not be living in that community. He would still be in an institution. He is now working in the community. So this is a real success story.

Senator PROXMIRE. Now you see what I referred to when I talked about the good old nights. [Laughter.]

Ms. TAUNTON. So with that we would like to ask you to consider each of these, and again I would refer you to the other areas that we have addressed.

Senator PROXMIRE. Thank you. I want to thank both of you very much. You have made an excellent presentation.

Ms. TAUNTON. Thank you.

STATEMENT OF DR. ROBERT SLATER, VICE PRESIDENT, MEDICAL AND COMMUNITY SERVICES, NATIONAL MULTIPLE SCLEROSIS SOCIETY

Senator PROXMIRE. Our next witness is Dr. Robert Slater, vice president, medical and community services, National Multiple Sclerosis Society.

Dr. Slater, I have a very strong interest in the society. My sister was a victim of multiple sclerosis, and it was very sad. My father was a doctor, and seeing his beloved daughter stricken with this disease was the most frustrating experience of his life. The disease became evident when she was about 26 years old. She died at about the age of 50, and it was an appalling process. At that time, about 15 years ago, there had been no progress at all in 100 years, so anything you can tell us about any progress you are making will certainly mean a great deal to this Senator.

Dr. SLATER. Well, Senator Proxmire, we will talk about the advances in research which we think are very promising. Your story is a classic one.

I would like to say, by way of beginning, that my name is Robert Slater. I am a pediatrician by background, and I represent the MS Society. I am now the vice president for medical and community services, too, so I am directly concerned with the problems that MS people have in the community and what the importance of the programs are of rehabilitation and really want to go on record as thanking the committee for being so strongly supportive of enhancing the program.

We calculate, Senator Proxmire, that there are about 250,000 people with MS in the United States. I know that in Wisconsin we would put it at perhaps more than 1 in every 1,000 people in your population.

Society is raising about $34 million a year. A good percentage of this is going into fundamental research and the rest of it in community services and the support of those programs.

Now, with regard to this legislation, the greatest concern that we have is the matter of maintaining the basic State grant programs which support all those services out there, enhancing the NIHR support, really looking to more special demonstrations and projects that provide new initiatives, and finally looking, because of all the other changes in the funding of medical care, to improvements in independent living.

With regard to the basic State program, the MS Society in 1977 established a program of—a cooperative program over about 5 or 6 years that has hooked us into the vocational-rehabilitation agencies of about 50 States. Through this we have improved the awareness of MS and the potential for MS people to be rehabilitated.

You know, there is a stigma of unpredictability, as you pointed out with regard to your family, that has made vocational-rehabilitation a difficult problem for our particular population of people. This is turning around because of the support of your legislation and the efforts of the MS Society.

The earlier sort of data we have, for New York State, for instance, in which we are now just gearing up to try and get more people back into employment, is that about 53 percent of the people that we have been able to pick out and refer back to vocational-rehabilitation have been returned to employment at a cost of about $2,300 a year.

Now, that is an alternative to, let's say, 40 percent of the population of MS people who we know to be on Social Security disability. So if we can get them all off Social Security and get them back in employment, it is not only good for the economy; it is good for the quality of life.

So we feel full authorization funding is highly recommended for that State program.

Now, the second issue that we are very concerned about really reiterates what Dr. DiTunno was talking about, and that is the NIHR. We think that the future potential for improving devices and living capability for people with handicaps such as MS is going to come out of basic research.

We couldn't be more supportive of Douglas Fenderson and his new field initiative projects, and we highly laud that program as well as the research and training centers, one of which is given over totally to multiple sclerosis work at the Albert Einstein Medical Center in New York.

We think the President's budget to cut that back to $30 million would just be creating chaos and destroy the integrity of what has already been put in place. So we would recommend your full $40 million.

I would like to move to the special demonstration and service projects because we are very proud of the endeavors the society has been able to make in that direction.

Diane Akers, sitting over here in the corner, represents the Washington chapter of the MS Society. She was here last year and reported to this committee on a new Back-to-Work Program with a small special demonstration grant that you provided.

Over a 3-year period $420,000 from the RSA has provided services to over 150 people, 61 percent who are now back in part-time or full-time employment, and the remainder of those people are either in training or school or volunteers.

Now, this is with an average income of $17,000 per year, and over the 3-year period of that $420,000 grant their earnings have exceeded $3 million. They have come off of Social Security disability. So there is no question about the economic validity of this kind of well-spent Government demonstration program. It does the best to bring out private initiatives.

The second aspect of the special demonstration that I would like to mention is the National Projects With Industry Program, which is directly related and is growing.

Our society has a committee of the national board of directors which spans out and coordinates with the chapter boards across the country, and we calculate that a very conservative 225 people return to employment each year. I think, based on Diane Akers' experience, that I put that number perhaps 10 times that amount if one had to look at the potential for getting people back into the work force and off the Government problems.

The last point that I would like to mention is that as the cost of the cap on care for people in acute institutions is placed on medicare—and many insurance companies like to follow in due course—that we are looking for more variety of independent living, more home care, more day centers, more respite centers, improvement in nursing homes, a wide variety of ways in which one can aid and abet rehabilitation programming for individuals who have this kind of handicap and need.

There is no question that given the mood of this country that we are into much more private enterprise type of activity in which we need some Government incentives. And independent living is very important, not only from an economic point of view but from the qualitative point of view of an individual's life.

We don't think the President's recommendation of $21 million is near sufficient, and we would opt for your full $40 million allocation and would like to stress the $25 million aspect for part A, the State administrator projects.

And finally, part of all that, we feel the Client Advocacy Program is very important. What voluntary agencies like ours can do is to categorize and coordinate what comes out of the holes that are present in a fragmented system. We can knit up the fabric of the fragmented problem and make it much better for people.

We see ourselves as part of the health care system, and I would like to leave for your interest, sir, a document—the outline of the Back-to-Work Program that the Washington chapter has put together, which has increased so effectively the independence of so many people with MS and promises to be a great national program.

Senator PROXMIRE. Thank you very much, Dr. Slater. Incidentally, I'd appreciate it if you could send me any comment that you or your experts might have on a fascinating article that appeared in the science section of the New York Times some time ago. It was written by Jane Brodie and it was entitled "Multiple Sclerosis—A Medical Detective Story." She claimed that they had at long last an indication of what actually causes multiple sclerosis.

It was hard to believe, but I would like to get the expert comment.

Dr. SLATER. We certainly will. We think it is a childhood virus which produces——

Senator PROXMIRE. She claimed it came from distemper in dogs. It was an amazing analysis. Of course we had distempered dogs when we were little, and my sister may have acquired it in that way.

But at any rate, I would like to receive any comments your experts might care to make.

Dr. SLATER. We certainly will.

PREPARED STATEMENTS

Senator PROXMIRE. Your statement will be included in the record at this point, along with other statements submitted for the record on appropriations for rehabilitation services.

[The statements follow:]

STATEMENT OF DR. ROBERT SLATER

I am Dr. Robert Slater and I am testifying on behalf of the National Multiple Sclerosis Society (NMSS) of which I am Vice President for Patient Services. My testimony deals with the budget for rehabilitation programs. Generally, we believe that full funding of rehabilitation programs to their authorized levels is necessary and not at all excessive. We realize that with this Subcommittee and its Chairman, such a request is "carrying coals to New Castle," but we wish to make clear how important these programs are for handicapped people.

Rehabilitation programs have had a dramatic impact on the lives of individuals with multiple sclerosis (MS). Currently, our Society has a model national cooperative agreement with the state rehabilitation agencies which has resulted in some states in expanded vocational rehabilitation services to MS clients. In addition, RSA has funded a major national demonstration program with the National Multiple Sclerosis Society to enable us to mount a national job search program. This national effort is intended to assist clients with MS in preparing for work and finding jobs. Our motto at the National Multiple Sclerosis Society is "Thank Goodness, It's Monday! Work, MS and You." I am submitting for the record, material we have developed as part of this job program. Our activity at the National Multiple Sclerosis Society is also focused upon determining the extent to which existing disability benefit programs such as income support and health care, and the disability determination process impedes clients from work.

The President's FY 1985 Budget for Rehabilitation Programs

— We are very concerned about the lack of increase in the President's budget for the basic vocational rehabilitation services programs and the actual cuts in special projects and research. Without an increase in the basic grant program, services will probably be reduced somewhat.

Certainly, there will not be the necessary funding to deal with expanded services to severely disabled individuals. Such a budget for the basic grant program will substantially impede the cooperative programs which our national organization and state chapter and various state rehabilitation agencies are developing. The outcome of rehabilitation services to the disabled is, however, likely to reduce federal payments for disability support and increase federal tax revenues from those who work. Our first jobs project which was in the Washington D. C. area established this.

We are also very concerned about actual cuts in two programs: research and special projects. The remainder of my testimony will focus on those two programs.

NIHR Budget

The NIHR is the only federal research agency which, to any real extent, finances research related to medical, social, environmental and vocational aspects of rehabilitating disabled persons. The Rehabilitation Act of 1978 created the Institute and clearly assigned it the paramount role in all aspects of rehabilitation research. This current year is the first year, however, in which this research institute has been treated with parity relative to other research programs in the federal government such as NIH, NSF, NIMH or Defense. In FY 1984, the NIHR received a $36 million appropriation and another $1.5 million was added at the end of FY 1983 to be spent in FY 1984, bringing the total to $37.5 million. This Committee is to be commended for its leadership in providing this increase of about 20% over FY 1983.

Major new activities were initiated in FY 1984 as a result of the increase this Committee furnished NIHR. A research training fellowship program was begun, three new research and training centers were funded in critical areas and, most significant, a field-initiated research program is being supported. This field initiated research program has already stimulated many investigators interested in rehabilitation and MS to write applications. Some 35 grants will be funded. In addition, one of the existing thirty-four research and training centers focuses solely on MS. Much productive work dealing with the medical and vocational rehabilitation of MS clients is already underway and should be expanded as a result of the FY 1984 budget initiative.

We are very concerned about the President's budget for NIHR research in FY 1985. It reflects no concern for the development of research in the field of rehabilitation for it cuts the budget back to the FY 1983 level of $30 million. This is effectively a $7.5 million or about 25% cut from current program levels. The President's budget is not sufficient to fund even existing commitments as five existing research centers would not be refunded under the President's budget and 13 of the newly funded field-initiated grants will be terminated after one year. This lack of continuity in support for research is devastating to the research community in rehabilitation.

We strongly recommend funding of NIHR at the full authorization level of $40 million.

Service Projects

Over the years, RSA has been able to use its special project funds to stimulate service programs that reach otherwise unserved populations and demonstrate the effectiveness of innovative services to the severely disabled. Our MS national jobs initiative got its start through the service projects program. Special programs in MS are now funded through the Projects With Industry (PWI) part of the Service Projects program.

The President's FY 1985 budget severely limits the Service Projects programs. It cuts them from about $36 million to $31 million. The PWI program is cut by $2 million from the current level and 16 fewer PWI grants will be funded. Client assistance programs are to be eliminated. These programs provide advocacy for severely disabled clients in the system. While the "Severely Disabled Projects" program increases from $12 million to $14.6 million, $5 million of this amount is set aside for a supported work program. While we are interested in all serious work related demonstrations, we are concerned that $2.5 million of current program activity is being eliminated to fund this $5 million initiative. Of this amount, about $2 million is from PWI. We recommend approximately $40 million for all service projects or about a 5% increase over current levels. Specifically, we recommend $14.4 million for PWI.

Independent Living

Perhaps the most critical element in services to those with MS is home care services or other social services and health services to enable an MS patient to live independently, i.e. to live at home rather than in an institution such as a nursing home. Often Medicare and Medicaid financing of home health care is too limited in duration and too focused on skilled medical or nursing care to be effective in meeting the independent living needs of MS patients. Social service programs are generally not available through state social service agencies since funding has been held at 1979 levels and such programs are not focused on the disabled generally. The Independent Living program authorized under the Rehabilitation Act is one of the few programs which can be effective in meeting the social, environmental and health related needs of MS clients to function independently. We, therefore, urge, as does the Rehabilitation Coalition, a budget of $49 million for Independent Living programs including $25 million for the initiation of the Part A state-administered service program.

Thank you for this opportunity to testify, and I am available to answer your questions.

STATEMENT OF ROGER P. KINGSLEY, M.D., DIRECTOR, CONGRESSIONAL RELATIONS DIVISION, GOVERNMENTAL AFFAIRS DEPARTMENT, AMERICAN SPEECH-LANGUAGE-HEARING ASSOCIATION

The American Speech-Language-Hearing Association (ASHA) is pleased to have the opportunity to submit its views and recommendations regarding appropriations for some of the major programs administered by the Department of Education's Office of Special Education and Rehabilitative Services (OSERS). Physically and mentally handicapped persons comprise a substantial portion of the nation's population - around 35 million people. Among the most prevalent handicapping conditions are speech, language, and hearing impairments. According to U.S. Census data for 1980, there were approximately 2.6 million speech and language impaired persons and over 18 million hearing impaired persons in the nation.[1] Because the ability to communicate effectively is so fundamental to other life activities - learning, interpersonal relationships, and vocational pursuits - any loss or limitation of this ability can be detrimental to individual development and performance.

As the professional and scientific society representing over 40,000 speech-language pathologists and audiologists nationwide, ASHA is very concerned about adequate funding of services, training, and research programs for the handicapped. Because the programs addressed in this statement are demonstrably cost effective, adequate funding is essential in terms of national economic as well as human considerations.

During the 97th Congress and the first session of the 98th Congress, bipartisan congressional majorities reaffirmed the national commitment to the handicapped by rejecting Administration proposals for budget cuts and consolidations and by approving significantly higher funding for the Education of the Handicapped and the Vocational Rehabilitation State Grant Programs. However, the authorization levels set by the Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35) were, in most cases, much lower than previous levels. Other programs, particularly discretionary education and health service and training programs, suffered drastic reductions in funding.

In 1982 and 1983 Congress began to repair the damage that had been done to these programs by passing supplemental appropriations for discretionary (P.L. 97-257) and state grant programs (P.L. 98-151). Then, late last year, the Education of the Handicapped Act Amendments of 1983 were enacted. With the signing of P.L. 98-199, authorization levels for discretionary programs were established that would allow Congress greater latitude in the quest to provide for adequate funding levels. Early this year, with final passage of the Rehabilitation Act Amendments and signing of P.L. 98-221, more realistic funding ceilings were set for Rehabilitation state grant and discretionary programs.

ASHA's FY 1985 funding recommendations and justifications regarding some of the key OSERS programs follow. We worked closely with the authorizing committees of both houses in the extension and improvement of these laws, and our recommendations reflect the recommitment to education of the handicapped and rehabilitation programs made by Congress through P.L. 98-199 and P.L. 98-221.

Education of the Handicapped State Grant Program

Public Law 94-142 (Part B of the Education of the Handicapped Act) provides state grants for the purpose of assuring "a free appropriate public education" to all school-age handicapped children in the United States. In passing this law in 1975, Congress acknowledged that the right to equal educational opportunities and appropriate educational services had been denied to millions of handicapped children. Implementation of the Education for All Handicapped Children Act has been a paramount national achievement in improving the lives and developmental potential of handicapped children, over four million of whom are receiving special education and related services in programs supported by P.L. 94-142 and P.L. 89-313 funds.

The Reagan Administration is requesting $1,068,875,000 for Part B, in FY 1985. This amount is identical to the current allocation. Although the Department of Education claims that this figure would maintain the eight percent federal share of excess costs for educating handicapped children, the increase in the number of children served and a 4.7 percent inflation rate[2] suggest the impossibility of maintaining current service levels.

Federal assistance for the State Grant Program grew to just over 12 percent by 1980 and has been declining since then. The decreases, coming at a time when state and local governments have encountered severe budget restraints, have negatively affected the capacity of school systems to meet their mandate of providing appropriate education to handicapped students. We hope that Congress will find it feasible in the context of the entire budget to return to the 12 percent level ($1,347,192). ASHA believes that $1,200,000 is the minimum that should be allocated for Education of the Handicapped State Grants in the next fiscal year.[3]

Preschool Incentive Grant Program

Education of the handicapped is particularly cost effective since it makes possible the early correction of handicapping conditions that might otherwise severely limit the education and vocational potential of individuals. Much research has demonstrated the effectiveness of providing special education and related services to handicapped infants and preschool children. It has been established that the earlier such educational intervention occurs, the less costly overall services become (in terms of long-term special education, vocational education, vocational rehabilitation, disability income maintenance, and lost revenues). One study has calculated that long-term savings for speech impaired persons totaled over $87,000 and for mildly retarded persons over $441,000.[4]

The effectiveness of preschool interventions was recently reported for a program in Colorado in which:

- o Participating children scored significantly higher on language skill testing than handicapped children who received no preschool special education.
- o Significantly fewer children needed further special education compared to those handicapped students not in the program.
- o It actually cost the school districts less to serve handicapped children who had gone through the preschool special education program than children who had not been included. Even with the higher initial costs of the program, over a three year period the school districts achieved a net saving of $1,560 per handicapped pupil.

In conclusion, this study shows that preschool programs for the handicapped (a) positively influence later educational performance; (b) reduce the need for lengthy and costly special education and related services; and (c) benefit everyone - handicapped children, their families, and society; conversely, delaying intervention is costly to everyone.[5] The cost effectiveness of the Preschool Incentive Grant Program was recognized when it was expanded in P.L. 98-199 by increasing eligibility from birth to five years (previously it had covered ages 3-5). Since many handicapped infants and very young children have severe handicaps, greater fiscal resources will be needed to adequately serve them.

Despite the success of this program in helping very young children while reaping long-term savings and despite Congress' strengthening of the program, the Administration is recommending that funding be frozen at $26.33 million. As originally designed, funding authority is determined by a formula of $300 times the number of handicapped children aged three through five served by the states. This formula went unchanged in the recent reauthorization of the Act.[6] With the most recent count of 242,014 children (1982-83 school year), the amount generated would be $72.63 million.

In order to expand services to children below the age of three without deleting support for three, four and five year olds, funding should be increased to twice the current amount. ASHA, therefore, recommends that FY 1985 appropriations be set at $52.66 million.

Early Childhood Program

The Early Education for Handicapped Children Program (Part C, Section 623) was designed to promote a comprehensive approach to providing services to young children and their parents. This program has been widely praised for its effectiveness in providing information and models concerning early intervention for handicapped infants and preschool age children.

As with the Preschool Incentive Grant Program, Congress has recognized the cost effectiveness of this early intervention program by expanding the age from 0-8. In addition, both the Senate Labor and Human Resources Committee and the House Education and Labor Committee called upon the Department of Education to improve statewide planning and coordination of early education programs. Through its reauthorization, Congress intended that this planning also include programs outside of the Education of the Handicapped Act - like the Developmental Disabilities Program, Crippled Children's Services and Head Start.

Despite the vastly increased authority for this program, the Administration wants to hold funding to the current level of $21.1 million. This amount would not make it possible for the new congressionally mandated initiatives to be carried out. We recommend that the full $27.1 million authorized for FY 1985 be appropriated.

Special Education Personnel Development

The Special Education Personnel Development Program (Part D, Sections 631, 632, 634) has as its objective the provision of support to institutions of higher education, local and state education agencies, other non-profit organizations, and parent training and information centers, to ensure an adequate supply of qualified providers of special education and related services.

Without properly trained, accessible, and sufficient personnel, it is difficult to envision the successful implementation of the primary goal of P.L. 94-142 - attainment of a free and appropriate public education for all handicapped children. There must be continuing expansion of the programs to train special education teachers and related service professionals.

The Administration wants to slash $17.9 million from the Special Education Personnel Development Program (SEPDP). According to testimony by the Assistant Secretary for Special Education and Rehabilitative Services, the Administration wants to focus funds on preservice and parent training, implying a shift in funding priorities.[7] Yet, in regulations recently proposed by OSERS, eight priority areas are listed for personnel preparation projects, including some new areas like "transition of handicapped youth to adult and working life" and "preparation of personnel to provide services to newborn and infant handicapped children." (Federal Register, April 30, 1984, 18402) This indicates that OSERS is planning to dilute personnel development funds by including projects that more appropriately belong in other programs like Secondary Education and Transitional Services. The combined effect of the budget cut and the expansion of project priorities would be to seriously impede the training of new special education and related services personnel while eliminating the upgrading of existing personnel.

These developments would adversely affect the adequacy of the special education work force and the quality of services it provides. Already, some state education agencies are lowering personnel standards in order to fill vacancies. The result is an unfortunate trend toward less qualified personnel which can only impact negatively on the quality of education received by handicapped students.

The Administration's proposal would reduce the level of personnel training assistance by a third. This reduction, the largest proposed for any education of the handicapped discretionary program, is explained by the Office of Special Education and Rehabilitative Services (OSERS) in terms of focusing funds on preservice training in shortage areas and training of parents and volunteers. However, the Department of Education reports that while the number of handicapped children continued to grow during the 1981-82 school year, there continues to be a nationwide shortage of special education teachers to serve them. This shortage is projected to more than double between 1982-1983 and 1983-84 to a total of 24,582 special education teachers needed to fully serve the handicapped school-age population.[8] In addition, the number of related services personnel has been steadily declining since 1979-80.

The current appropriations level of $55.5 million for this program represents a $6.2 million increase over the FY 1983 level. P.L. 98-199 increases the funding ceiling over the next three years. In authorizing these levels, Congress has demonstrated its intent that greater resources be available to support the expanded emphasis on parent training and related services along with the maintenance of adequate levels of regular special education personnel. ASHA recommends that the authorized level of $61.15 million for FY 1985 be appropriated.

Secondary Education and Transitional Services

P.L. 98-199 authorizes a new Section 626, Secondary Education and Transitional Services. The program reflects Congress' recognition that, while educational programs for elementary age handicapped students are fairly well developed, this has not been true of secondary education programs. The purpose of this initiative is to provide handicapped youth with a smooth transition from school to postsecondary education, vocational training and employment. The Office of Special Education and Rehabilitative Services is authorized to provide coordination among federal agencies and to assist the states in carrying out the purposes of this program. Hence, the Senate Committee on Labor and Human Resources stated its "intention that this initiative encourage coordination among the various agencies, organizations and institutions which serve handicapped youth. The Committee expects that such coordination efforts will be directed towards goals which directly benefit handicapped youth, such as increased access to vocational training, placement services, and other related services. In awarding grants and contracts under this Section, the Committee urges the Secretary to encourage applicants from both educational agencies and vocational rehabilitation agencies and facilities, as the Committee believes that effective models can and should be developed by both school systems and rehabilitation programs in coordination with each other." (Senate Report No. 98-191, p. 20)

The Committee was also careful to point out that the new Section is meant to complement existing sources of funding for secondary level handicapped youth, not to substitute for them. Resources should not be drawn from other discretionary programs to meet the objectives of Section 626.

The Administration recommends that this program be maintained at the current level of $6 million. We recommend a slight increase to $6.33 million, the authorized FY 1985 level.

Innovation and Development

The Innovation and Development Program (Part E, Section 641) provides support for research, development and demonstration of new programs, teaching devices and services that will improve the quality of education for handicapped children and youth. Techniques and products developed through this program have been effectively used to improve special education and related services in school districts throughout the nation. In reauthorizing this Section, the Committee on Labor and Human Resources directed the Department of Education "to give primary focus to improving the quality of special education and related services provided to handicapped children and youth, including the development of effective practices, methods media and materials, and service delivery models. Continued research in teaching and learning related to the education of the handicapped is crucial." (Senate Report No. 98-191, p. 25)

Despite such statements of Congressional intent for the Department of Education to provide strong leadership in this program and the raising of authorization levels, the Administration is seeking to cut $3 million from Innovation and Development. We believe that expansion of research activities is needed and recommend that the FY 1985 appropriation for Innovation and Development be set at $20.0 million.

As discussed previously, the Department of Education has indicated that there is a serious shortage of personnel in the special education and related services area. A recent study completed at the University of Maryland indicated that the shortage of personnel was nationwide.[9] However, every year it is recommended by the Administration that the funds for the preparation of personnel be reduced. Congress has already demonstrated its concern with the quality of personnel serving the handicapped. In P.L. 98-199, Part D, Section 631 was amended to require that the Secretary of Education "ensure that grants awarded to applicant institutions and agencies under this subsection meet state and professionally recognized standards for the training of special education and related services personnel." And, in P.L. 98-221, Section 304 was amended by including the term "qualified" before personnel for the Rehabilitation Training Program.

Unfortunately, the Department of Education does not have adequate or appropriate data on which to make decisions about the magnitude of the workforce or the quality of the workforce. It is recommended that such sums as necessary be set aside to conduct a national workforce study in the area of special education and related services so that Congress will have information on which to make realistic decisions on the amount of funding needed to provide personnel preparation activities necessary to meet the special education and related services needs of handicapped children nationwide.

Based on these data, Congress should consider ways to ensure that services are provided by qualified professionals. It is recommended that consideration be given to establishing an incentive program that would provide additional funding to those states that initiate and maintain certification and employment standards that meet national professional standards. For example, the nationally accepted professional standard for certification as a speech-language pathologist or audiologist is the master's degree. Under the incentive program, states that initiate or maintain the master's degree as a minimum certification level for employment as a speech-language pathologist or audiologist would receive a financial incentive.

Vocational Rehabilitation State Grants

The Basic State Grant Program (Section 110 of the Rehabilitation Act of 1973, as amended) has been a model of working federalism for 63 years. Since 1921, the program has served about 23 million persons and has rehabilitated more than six million of them. The cost effectiveness of the program is very high (a ratio of better than 1 to 10) since governments at all levels are benefited by higher productivity and resultant income and payroll tax increases and funding saved due to decreased dependency on public welfare and institutional care. As important as the economic benefits of the program are the human benefits. For the handicapped individual, rehabilitation means independence, self-esteem, and mobility. For the families of handicapped individuals, it means the lifting of physical, emotional, and financial burdens.

Despite these achievements, the vast majority of handicapped adults remain without the rehabilitation services they need. About one million handicapped individuals are served annually. However, the number has been declining for the past six years since funding has not kept pace with inflation and because a larger proportion of severely (and hard to rehabilitate) persons are being served. The number of persons successfully rehabilitated and the number of new cases have also been declining. For instance, in fiscal year 1982 the number of persons successfully rehabilitated was 226,924, a decline of 11.3 percent from the previous year.[10] This represented the smallest number of persons rehabilitated during the past 13 years. This trend is unfortunate, because with adequate services many handicapped individuals can be successfully rehabilitated and returned to the workplace.

The Administration has recommended that funding for Vocational Rehabilitation State Grants be frozen at $1,003.9 million. If this level were agreed to, we would see a continuing decline in the number of handicapped persons rehabilitated. This, in turn, would mean that more individuals will remain handicapped, non-productive and non-tax paying citizens dependent on various government programs. The funds not spent on rehabilitation will mean many more dollars must be spent on maintenance, welfare, disability and entitlement programs.

ASHA recommends that $1,117.5 million, the FY 1985 authorization level, be appropriated. This amount is needed to halt the decline in the number of persons rehabilitated and to assure the provision of quality rehabilitation services.

Rehabilitation Training

The Rehabilitation Training Grant Program (Section 304 of the Rehabilitation Act of 1973, as amended) supports training in the broad range of established professional rehabilitation fields identified in the Rehabilitation Act including rehabilitation medicine, speech-language pathology, audiology, physical therapy, occupational therapy, rehabilitation counseling, interpreters for the deaf, and personnel to train the blind. Because rehabilitation focuses on the unique needs of handicapped individuals, successful outcomes are largely dependent on professional service providers with appropriate training and skills. Long-term training accounts for the majority of the Rehabilitation Training Program, while the remainder of the budget is devoted to continuing education programs which ensure that personnel already in the field maintain up-to-date techniques and skills enabling them to respond to changing priorities and needs within the rehabilitation program.

In the Rehabilitation Act Amendments (P.L. 98-221), several changes were enacted which will strengthen the training program. One of these changes puts new emphasis on the need for "quality" rehabilitation personnel. The authorizing committees recognized "the importance of appropriate training of new rehabilitation specialists as well as the upgrading of skills in light of new technologies and rehabilitation procedures. The need for quality rehabilitation service delivery provided by a broad range of qualified personnel has never been greater." (House Report No. 98-137, p. 21, and Senate Report No. 98-168, p. 17) Other amendments addressed the problem of personnel shortages and the need for the Rehabilitation Services Administration to reform its methods of allocating training funds. In addition, the authorizations for fiscal years 1984 through 1986 were substantially increased.

Despite these demonstrations of Congressional support for the program, the Administration is recommending $5 million, a 77 percent cut. According to OSERS, "The requested funds would be used solely to support programs of long-term training in fields essential to the rehabilitation process where labor shortages have been identified... We would discontinue staff inservice training programs, training in non-shortage fields, and training in management and other fields not directly related to the actual providing of rehabilitation services. The request for 1985 would allow us to address major shortages of personnel required to meet the rehabilitation service needs of handicapped persons."[11]

In making this recommendation, the Administration is reversing Congress' desire to see the programs strengthened. The Conference Report on the Rehabilitation Act Amendments states that "It is the intent of the conferees that the term 'personnel shortage' apply not only to shortages in numbers of personnel, but also to deficiencies in levels of personnel skills...it is essential to maintain and upgrade the skills of presently employed personnel, as well as to increase the number of personnel in shortage areas, in order to meet current and projected vocational rehabilitation service needs." (House Report No. 98-595, pp. 31-32)

Congress has demonstrated its support for this program by fully funding it at $22 million in the current fiscal year. An increase to the FY 1985 authorized level of $27 million is needed to help alleviate personnel shortages evident in many rehabilitation professions while maintaining inservice training and making other changes required by P.L. 98-221.

Last year, Congress also recognized that the need to train adequate numbers of qualified professionals to serve communication impaired adults was not being met. As indicated at the beginning of this statement, speech, language and hearing disorders comprise one of the most prevalent sets of disabling conditions. Because many persons with such impairments have high rehabilitation potential, services tend to be very cost effective in developing vocational abilities and returning individuals to the workplace.

Finding the manner in which training funds were allocated to be inadequate, Congress included several amendments in P.L. 98-221 which were intended to ensure effective use of these funds. One amendment required targeting of specific areas of personnel shortages. In order to eliminate arbitrary allocation of funds and to ensure that the awarding of grants is based on demonstrated need,

> "The Commissioner shall prepare and submit to the Congress, simultaneously with the budget submission for the succeeding fiscal year for the Rehabilitation Services Administration, a report setting forth and justifying in detail how the training funds for the fiscal year prior to such submission are allocated by professional discipline and other program areas. The report shall also contain findings on personnel shortages, how funds proposed for the succeeding fiscal year will be allocated under the President's budget proposal, and how the findings of personnel shortages justify the allocations." (P.L. 98-221, Section 133(d))

To date, RSA has expressed an unwillingness to carry out this new procedure for determining Rehabilitation Training allocations. Officials at the agency have indicated that responsibility for demonstrating personnel needs remains with the various rehabilitation disciplines. Adding force to the previously cited statutory change is this statement of agency responsibility from the Senate Committee on Labor and Human Resources: "In addition to consulting the various training disciplines, state agencies, and others, in regard to training needs, the Committee expects the Commissioner to develop objective procedures for gathering and assessing the information it received." (Senate Report No. 98-168, p. 17)

Funding reductions by RSA for speech, language and hearing programs had been particularly severe prior to 1983 despite evidence of continuing need for greater numbers of speech-language pathologists and audiologists to serve individuals with communication impairments. As a result, Congress acted to stem a 70 percent decline (FY 1979-FY 1982) in support for these programs by providing for a modest set-aside of $292,000 which represents the FY 1983 share for the discipline (already the lowest amount in 15 years).

Since RSA is not carrying out the statutory requirement for determining budget allocations based on objective findings of personnel needs, we ask that Congress maintain this provision when action is taken on the FY 1985 Labor, Health and Human Services, and Education Appropriations bill.

We appreciate the Subcommittee's consideration of our views and look forward to working with you in ensuring adequate funding for these important programs.

Notes

[1] U.S. Bureau of the Census. 1982 a Preliminary Estimates of the Population of the United States: 1970 to 1981.

[2] Bureau of Labor Statistics, Department of Labor. Inflation rate based on Consumer Price Index increase between March 1983 and March 1984.

[3] This figure is derived by using a conservative estimate of $2,700 for the national average per pupil expenditure and taking 10 percent of that amount times an estimated 4,158,000 handicapped children being served under P.L. 94-142 (Department of Education estimate).

[4] Braddock, D., Dollars and Sense in Special Education, Council for Exceptional Children (1976).

[5] Weiss, Rita S., Effectiveness of Early Special Education for Handicapped Children.

[6] House Report 98-410 stated that, in lowering the service age to birth, counting for purposes of reimbursement to the states would continue to cover only the three through five age group.

[7] Department of Education, Statement by the Assistant Secretary of Special Education and Rehabilitative Services on Education for the Handicapped (March 27, 1984), pp. 4-5).

[8] Department of Education "To Assure the Free Appropriate Public Education of All Handicapped Children," Fifth Annual Report to Congress on the Implementation of Public Law 94-142: The Education for All Handicapped Children Act. U.S. (1983).

[9] Institute for the Study of Exceptional Children and Youth, Department of Special Education, College of Education, University of Maryland, Personnel to Educate the Handicapped in America (1984).

[10] Rehabilitation Services Administration, Office of Special Education and Rehabilitative Services, Annual Report to the President and Congress on Federal Activities Related to the Administration of the Rehabilitation Act of 1973, as amended. (Fiscal Year 1982), pp. 8-9.

[11] Department of Education, Statement by the Assistant Secretary of Special Education and Rehabilitative Services on Rehabilitation Services and Handicapped Research (March 27, 1984), p. 4.

STATEMENT OF J. SCOTT MARSHALL, DIRECTOR OF GOVERNMENTAL AFFAIRS, AMERICAN COUNCIL OF THE BLIND

Mr. Chairman: The American Council of the Blind is pleased for this opportunity to testify before you today in support of funding for programs authorized by the Rehabilitation Act of 1973 as Amended (hereinafter referred to as the "Act"). Our testimony will focus upon two programs of particular concern and benefit to blind and visually impaired persons for which the Congress has never specificatlly appropriated funds, namely: the Randolph-Sheppard Blind Vending Facilities Program, funding for which is authorized by Section 107(f) of the Act, and Independent Living Services for Older Blind Individuals, funding for which is authorized by Section 741 of the Act. As more fully explained below, we recommend (1) a $5 million appropriation to be used to equip new vending locations thereby expanding this important source of employment for blind persons; and (2) a $2 million appropriation to provide independent living services (including braille, mobility, and personal management training) to individuals who face the double handicap of advanced age and vision loss. We further recommend funding of rehabilitation state grants to the full extent authorized by the rehabilitation amendments of 1984 recently passed by Congress and further support funding for rehabilitation discretionary programs as set forth in the table which is attached hereto as Appendix A.

Mr. Chairman, the American Council of the Blind is the largest membership organization of blind and visually impaired persons in the United States. Our members come from all walks of life and reside in every corner of the country. For the past 23 years we have worked to improve the lives of this nation's blind and visually impaired citizens through legislation, legal advocacy, and public education. One of our largest affiliated organizations is the Randolph-Sheppard Vendors of America, a group of blind and visually impaired individuals who operate vending facilities located on public property by authority of the Randolph-Sheppard Act or similar state laws modeled after the federal program. The Randolph-Sheppard Vendors of America represents the majority of the blind vending facility operators in this country and that organization fully supports the funding recommendation which we present to you today.

Many of our members are also elderly. In fact, over one half of the blind and severely visually impaired poeple in the United States are over sixty five years of age. These people who face the trauma of diminishing eyesight can learn the new skills they need to live independantly in their own homes if they recieve high quality independant living rehabilitation services.

RANDOLPH-SHEPPARD APPROPRIATION

The Randolph-Sheppard Blind Vending Facility Program provides jobs for over 3,700 blind people. As operators of cafeterias, snack bars, and concessions, they become taxpayers rather than tax users and learn management and business skills. Unfortunately the Randolph-Sheppard program is no longer growing and expanding so that these excellent employment opportunities can be made available to more and more blind people.

The Randolph-Sheppard Act, 20 USC 107, gives state licensing agencies a priority to establish vending facilities operated by blind people on federal property. Many states have followed the federal example and have enacted "little Randolph-Sheppard Acts" which establish a similar priority for the operation of vending facilities in state buildings. The funds for establishing new vending facilities, refurbishing old facilities, and supervising and managing the program are derived from: federal vocational rehabilitation state grants; state revenues; income from vending machines on federal property; and payments by blind vending facility managers who contribute a portion of their vending facility's income to the program.

However, these funds are inadequate to pay for new vending facilities. In FY 1983 it cost about $25,000 to establish each new vending facility. Given the fact that federal vocational rehabilitation state grants have not kept up with either inflation or the demand for service; the fact that states are feeling a budget crunch; and the fact that many facilities need to be updated and refurbished, it is not surprising that there is little money left in most states for new vending facilties. It is also not surprising that the number of vending facilities decreased in the last fiscal year. Action is needed now to end the stagnation that has set in, to reinvigorate the program, and to enable it to begin to grow and expand once again.

The Randolph-Sheppard program is facing another ominous threat. In late December 1983, the General Services Administration requested bids for the cafeteria in its main building here in Washington DC. The bid was fashioned so that it would attract fast food enterprises. Unfortunately, it was also constructed to preclude the District of Columbia state licensing agency from bidding on the contract and establishing a Randolph-Sheppard Vending Facility. It required the successful bidder to be a multistate operation and be able to take over similar operations in other states. The bid undermined the priority Congress established for blind people to operate this type of facility on federal property.

As a result of this threat, the Department of Education, which is responsible for the implementation of the Act, is considering taking more action to safeguard the priority given to blind people to operate cafeterias on federal property. However, this is not enough to stop this dangerous new trend. Unless state licensing agencies have adequate funds to establish new vending facilities of the quality that government employees deserve and demand, federal agencies will have more and more incentive to attempt to subvert the priority. Further, as new vending opportunities become available, blind people will miss them unless money is available to establish new facilities.

In the early 1970's when the influx of vending machines onto federal property threatened to harm the program, Congress took bold steps to protect the priority. When it amended the Randolph-Sheppard Act in 1974, it set a goal for the program: the number of vending facilities should double within five years. That goal has not been reached. Indeed, we are as far from it now as we were in 1974. It is now time for Congress to take action to make that goal a reality. Since its beginning, an appropriation has been authorized for the Randolph-Sheppard program. This appropriatioon authority has never been exercised.

The $5,000,000 appropriation for fiscal year 1985 we are requesting today is a modest amount when disbursed accross the country. But if it does not supplant funds currantly being devoted to the Randolph-Sheppard program, we are confident that it can reinvigorate the program. Once appropriated, the funds should be disbursed as follows: The Divison of Blind and Visually Impaired in the Rehabilitation Services Administration should distribute to each state licensing agency $25,000, the average cost of a new vending facility. The remainder of the money should be distributed to states who apply for the funds for establishing new facilities. The Division of Blind and Visully Impaired should use the following criteria in making grants: (1) The need for additional vending facilities, as evidenced by the availability of trained vendors and by federal agency food service needs in the State; (2) The existence of a positive and aggressive State licensing agency; and (3) Th extend which a State rhabiltiation agency promotes the Randolph-Sheppard program through the use of formula grant funds under Section 110 of the Rehabilitation Act of 1973 to train, place, and provide upward mobility for blind licensees.

Unemployment among blind people is a serious problem. It is estimated that of the working age blind people in this country nearly 70% are discouraged workers (able to work, but not actively seeking work) and that unemployment of those in the work force is 18 per cent. We have at hand an opportunity to provide new job opportunities for blind people. We should not let it pass.

For nearly 50 years Congress has protected and nurtured the priority it first established for blind poeple to operate vending facilities on federal property in 1936. In 1974 when the Randolph-Sheppard Act was amended, Senator Randolph quoting from the Committee on Labor and Public Welfare stated:

> The Committee regards the Randolph-Sheppard Act as one of the most practical and effective employment opportunity programs ever enacted by Congress. Blind vendors return in taxes and economic activity

> far in excess of the initial small investment required to establish their business operations. The ramifications of this pogram for the blind vendor, his family, his community, and the nation go far beyond payment of taxes, however. The dignity and pride engendered by the development of skills and entrepreneurial ability represent the finest example of a healthy, vigorous, compassionate society combined with the true expression of an American ideal--self respect, independence, and meaningful contribution to that society. (Cong. Rec. June 20, 1974 p. 20118)

This statement is as true today as it was ten years ago. We urge you to appropriate $5,000,000 for the Randolph-Sheppard program for fiscal year 1985 to energize and expand this important employment opportunity for blind Americans.

INDEPENDANT LIVING SERVICES FOR OLDER BLIND ADULTS

When Congress enacted Title VII C of the Rehabilitation Act it recognized that the needs of a large segment of the blind population for independant living services were not being met. Well over half of the blind and severely visually impaired poeple in the United States are over sixty five years of age. Although exact figures are not available, there are at least 950,000 Americans over age sixty five who cannot read ordinary newsprint even with the aid of glasses.The onset of severe visual impairment in older poeple causes many people to lose the ability to live independantly. Without training in alternative techniques to accomplish household tasks, take care of themselves, and travel independantly these older newly blind people must often leave their homes and apartments and move to nursing homes. This is costly both in human and economic terms. Nursing home care costs approximately $16,000 per year.

As the size of our older population grows, the need for independant living services for older blind adults will also grow. The United States Bureau of the Census projects that by the year 2000 the number of persons aged 65 to 74 will increase by 20 percent and those aged 75 and older by 56 percent. We must begin now to prepare for serving this increased population.

Independant living services for older blind people include orientationa and mobility training, providing low vision aids, teaching alternative ways to accomplish homemaking and daily living tasks, reader services, and similar activities. In addition, independant living services can include payment for medical treatment of vision problems and eyeglasses.

Studies suggest that state vocational rehabilitation programs, which are geared to serving younger poeple to gain the skills needed to obtain employment, are inadequate to serve this population. (Cf. Hill and Harley, "Orientation and Mobility Services for Aged Visually Impaired Persons," Journal of Blindness and Visual Impairment, February, 1984 p.49.) Many state vocational rehabilitation agencies try to provide service, but they simply lack the time, staff and financial resources to serve this older population. While some senior citizen's centers try to be of service, many blind and visually impaired people will be unable to take advantage of services which they are offered without some basic skills and confidence in their ability to function with impaired vision.

The $2,000,000 we are requesting today alone cannot meet the needs of our older blind citizens for independant living services. But it is a step toward developing better systems for serving this population. When Part VII C was added to the Rehabiltiation Act in 1978, Congress tied funding for this program to funding for Part A of Title VII which authorizes an independant living rehabilitation state grant program. Congress required each state vocational rehabilitation agency to incorporate any new methods and approaches to providing independant living services to older blind people it finds into its independant living program. Thus, the funds for services for older blind people which we are seeking today will not only be used for direct service, but will provide states with experience about effecient, effective methods to deliver these services in their comprehensive statewide independant living state grant program.

In the 1984 amendments to the Rehabilitation Act, Congress separated the authorization for an appropriation for Part C from an appropriation for Part A of Title VII. Each program now has a "such sums" authorization.

The American Council of the Blind recieves thousands of requests for information about blindness and services which are available to blind and visually impaired people each year. Many of these come from older people who are just facing the prospect of diminishing eyesight. They are often frightened about their vision loss and desparate for assistance. We also know that with the right kind of timely independant living training these older blind people can renew their hope, and return to active partication in their communities.

Thank you for the opportunity to appear before you today. I would be happy to answer any questins that you may have.

REHABILITATION ACT OF 1973, AS AMENDED
($ in millions)

Program	FY84 Appropriation	FY85 Authorization	Administration's FY85 Budget	Coalition's Recommendation
Basic State Grant	$1003.9	$1117.5	$1003.9	$1117.5
Evaluation (Sec. 14)	2.0	such sums	.5	2.5
Training	22.0	27.0	5.0	27.0
NIHR	36.0	40.0	30.06	40.0
Independent Living (Pt.B)	19.4	22.0	21.0	22.0
(Parts A,C)	----	such sums	----	25.0 (Pt.A) 2.0 (Pt.C)
Service Projects:				
o Client Assistance	6.0	6.3	-0-	6.3
o Special Projects for Severely Disabled*	12.9	13.6	14.6	13.6
o Helen Keller Center (removed from the Act)	3.7	4.2	3.7	4.2
o PWI	13.0	14.4	11.2	14.4
o Indian Tribes	---	such sums	.7	.75
o Special Recreation	2.0	2.1	-0-	2.1
o Technical Assistance	---	such sums	---	.25
o Migrant Workers*	*	*	1.0	*
National Council on the Handicapped	0.5	such sums	.33	.5
ATBCB	1.9	such sums, not to exceed $3 mill.	2.0	2.3

* Special Projects includes Special Demonstration Projects, Migratory Workers, Reader Services, and Interpreter Services.

STATEMENT OF JAMES B. NEWTON, AMERICAN STUDENT ASSOCIATION

Senator PROXMIRE. Our next witness is James Newton, American Student Association, speaking for student financial assistance, followed by Reverend Collins and Katherine Ozer.

Good morning, Mr. Newton, very nice to have you with us.

Mr. NEWTON. My name is James Newton. I am the director for the American Student Association.

I will summarize our testimony by saying our association represents college and university student governments around the country, who themselves have 2.1 million students on their campuses. We have public, private, 3-year and 4-year institutions in our membership and, of course, therefore, a keen interest in the President's budget request for student financial assistance.

First, I would like to comment, if I could, on the self-help concept which the President's budget brings back this year, as it was introduced last year.

We think the self-help concept is very interesting, and we support a great many of the provisions the President wants to bring forward in self-help. We think that the system of student financial assistance does need to be restructured. It is presently fairly inefficient due to the multiple programs and also sometimes ineffective in the way the programs are administered.

However, we think that any restructuring has to bear in mind that access to higher education is a principal function of student assistance and that, therefore, given the nature of the self-help proposal examples this year, we think—and given that the Higher Education Act will again be discussed next year, we think that the self-help concept is a mite early and ought to be brought back next year for appropriate discussion.

As for the particulars of the President's budget with regard to guaranteed student loans, the President requests the introduction of a needs test for all students. Because of the role that the GSL plays for the middle income family student—and that is a particular concern to our association—we don't believe that a needs test at this time is a very good idea.

That particular program is of critical importance to families which need to meet the difference between what their respective family contribution is anticipated by the Government to be—estimated to be—and what they can actually afford.

We think the GSL adequately meets that need right now and that a needs test is not correctly calculated to include that particular aspect of that function and would, in fact, adversely impact middle income family students.

With regard to the Pell grants, the President suggests an increase in the Pell grant award from $1,900 to $3,000 and a change in how the family contribution schedule is calculated.

We believe the President's proposal, though not intentionally, would have a disproportionate effect on minority and women students. They are large users of the Pell grants.

In fact, in 1970 through 1979, which is the last year that data is available, 56.7 percent of Pell grant recipients were either black, Hispanic, Asian, or American Indian, even though this particular ethnic group only comprises 22.5 percent of undergraduate enrollment. Women are also heavily dependent on Pell grants, receiving 61.1 percent of funding though comprising only 54.5 percent of the undergraduates.

To reduce the number of available awards by some 290,000 students would obviously have this particular impact, and we feel that is not the direction to go right now, and until we can reevaluate from a macro point of view this whole structure, those changes would not be advisable right now.

The College Work/Study Program. The President is proposing a much expanded program. This is very exciting for us because last year in our testimony to this committee we suggested some particular changes in the College Work/Study Program that would require, in fact, a much expanded program this year.

In particular, we think that the College Work/Study Program does not have to be a partnership simply between the Federal Government and the school; that indeed a shift is in order so that the private sector is brought into this function and they can match some of those Federal dollars. However, to do that would require a much expanded program in terms of dollars from Washington and a much relaxed set of regulations governing the Work/Study Program.

Accordingly, we would encourage this committee to allocate the $850 million—the administration's request—but to couple that with a request that the administration come back with a program that is, in fact, geared to increase usage of cooperative education programs in the private sector.

Finally, for the national direct student loan programs, in the case of the direct loan the President proposes no new Federal capital for the Loan Program, no funding for the SEOG Program nor for the SSIG Program.

Conceptually, we are in agreement with what the President is attempting to do here. We think there ought to be only one loan program, and NDSL ought to be phased out. However, we don't support all three programs' abrupt termination. We think that it should be a gradual process in the case of NDSL. We think the Federal contribution ought to be continued at its present level.

In the case of the SEOG grants, we think that that should be continued at the present level plus increases to cover the inflationary rises and education costs since last year.

In the case of the SSIG Program, we think it should be phased out over a 3-year period, and in this year there ought not to be any increases in SSIG appropriations.

Senator PROXMIRE. Thank you very much. We appreciate that testimony.

STATEMENT OF REV. T. BYRON COLLINS, S.J., SPECIAL ASSISTANT TO THE PRESIDENT FOR FEDERAL RELATIONS, GEORGETOWN UNIVERSITY

ACCOMPANIED BY FATHER WILLIAM GEORGE

PREPARED STATEMENT

Senator Proxmire. Our next witness is Rev. Byron Collins, special assistant to the president for Federal relations, Georgetown University.

Reverend Collins is an old friend of the committee and this Senator. Delighted to have you here.

[The statement follows:]

STATEMENT OF REV. T. BYRON COLLINS, S.J.

Mr. Chairman, Members of the Subcommittee, I am Fr. T. Byron Collins, S.J., Assistant to the President of Georgetown University. I am accompanied by Mrs. Mary Albert, Assistant to the Chancellor of the Medical Center. We appreciate the opportunity to be here today. We would also like to submit for the record some additional remarks by Fr. William George, S.J., on the College Housing Loan Program and Fr. Harold Bradley, S.J., on a refugee education assistance program.

NATIONAL LIBRARY OF MEDICINE -- BIOETHICS LIBRARY AND INFORMATION SYSTEM

The first topic I am here to discuss is the National Library of Medicine's support for a national bioethics library and information retrieval system. As you know, the President has requested $7.5 million for Medical Library Assistance programs in FY85. The Administration's Justification of Appropriation Estimates for the National Institutes of Health briefly describes the Bioethics Information system at Georgetown University and the importance of this unique national resource.

> The National Library of Medicine has provided continuous support for the Center for Bioethics, Kennedy Institute for Ethics, Georgetown University, since 1974. Support has been for the initial development of, and improvement in the systems and for the publication, Bibliography of Bioethics. NLM also includes the database in the MEDLARS system where it is nationally and internationally available as BIOETHICSLINE. The Bibliography and BIOETHICSLINE are recognized as being unique national resources. They are the only such resources providing comprehensive coverage on bioethical topics. Among such topics included in the database are: medical confidentiality, euthenasia, genetic experimentation, psychosurgery, recombinant DNA research, definition of death, and allocation of scarce medical resources. (Volume III, Justification of Appropriations Estimate for Committee on Appropriations, NIH, p. 313,14)

Over the past ten years, the National Library of Medicine (NLM) has contributed nearly $900,000 in grant support to the bioethics information system at Georgetown University. The bioethics library information and retrieval system is an integral part of the Kennedy Institute for Ethics upon which it depends. Georgetown University has contributed nearly $18 million to the Institute since its inception in 1971. Georgetown is proud of the partnership that has developed between the National Library of Medicine and the University and hopes to continue this relationship in order to provide this important bioethical information resource.

We would like to thank the Committee for its support of the national bioethics library and information retrieval system in the Committee's Report on FY84 Labor/HHS/ED Appropriations:

> The rapid and spectacular advances in medical science and technology have given rise to many perplexing issues in biomedical ethics such as living wills,

> appropriate treatment and care of severely handicapped newborn infants, research involving human subjects, and human uses of genetic technologies. Therefore, the Committee assigns a high priority to NLM's program of extramural support for a bioethics library and information retrieval system, and encourages that $300,000 be awarded competitively to cover the operating costs of a library, housing comprehensive information on bioethical issues as a national reference center.

Because of the Committee's support, NLM has notified Georgetown University that it intends to enter into a cooperative agreement with the University to provide $130,000 in direct funding for FY84. The bioethics information and retrieval system is an integral part of the total bioethics library program. While the cooperative agreement provides partial support for the information and retrieval system, it does not provide sufficient funds to support the maintenance and operation of the library itself upon which the information system is critically dependent. Congress accurately foresaw that at least $300,000 in annual direct-cost federal funding would be needed to develop and maintain a national bioethics library and information system as a referral center for comprehensive and up-to-date information on such important public issues as the care of newborn infants, organ transplantation, human experimentation and genetic engineering. Thus we would like to ask the Committee to direct the NLM to provide the full $300,000 in FY84 funds for direct costs of the bioethics information and retrieval system, as Congress has already instructed in the House and Senate FY84 Labor/ HHS/Education Appropriation Committee Reports. The associated University costs (technically called indirect costs) are negotiated on the basis of a formula and are not included in our request for direct costs.

The University has recently completed renovating office space for the Kennedy Institute and its research functions, but additional funds are needed to renovate and relocate the library in adequate and proper space. The library is temporarily situated in rented space but is barely serviceable. We would like to request that the Committee provide $380,000 in FY85 to support the direct costs of the first part of a two-year renovation program for the proper housing and operation of the bioethics library and information retrieval system to be located in the historic Healy Building.

HEALTH EDUCATION ASSISTANCE LOAN (HEAL)

We urge that the subcommittee not place limits, as the Administration has requested, on the guarantee of HEAL loans. This will enable our health professions students in the country to borrow up to the full $250 million authorized in the Public Health Service Act.

Over the years, the HEAL has become an absolutely essential last resort financial aid loan to health professions students, in our case, our medical and dental students. HEAL permits students to borrow up to $20,000 a year from private banks or Sallie Mae. Interest, which can be compounded during training, is set at the 91 day T-Bill rate plus 3.5%; there is no interest subsidy. The Federal Government guarantees the loan; borrowers pay a premium which covers default. The program, in effect, is self-insured, and the nature of the Federal guarantee is to assure that the premium charged borrowers is sufficient to cover default. There is no Treasury cost to the program.

Recently there has been a fair amount of publicity about the potential default rate of HEAL loans, anticipating a rapidly rising rate of defaults, and a substantial amount of loan capital in default. Our understanding is that these data refer to hypotheses based on worst-case scenarios and were developed from a limited number of schools and students. The procedure they use results in an overstated rate of default by placing the total amount of the loan in delinquency rather than the specific payments missed and by failing to adequately distinguish between delinquency and default. In talking with major lenders, we understand that they are not projecting these substantial defaults.

We strongly urge that HHS develop strong collection protocols, and raise the premium as necessary so that defaults are covered. Schools should be required to counsel their students and not permit loans in excess of educational expenses. Since most health professions students borrowing from HEAL have excellent financial prospects, there is no excuse for HEAL defaults. Tighter collection procedures should make this clear to borrowers.

The loan program itself, however, should not be restricted.

NURSING SUPPORT

Once again we request continuation of support for nursing programs at least at the level of the present fiscal year, particularly for advanced nurse training and traineeships. Our School of Nursing awards a baccalaureate degree in nursing and also has a rapidly growing master's level program in midwifery, gerontology, an administration. The demand for advanced nurse training increases each year, as the profession trains its leadership cadre.

We believe it is safe to say that no other health profession has been so responsive in training its graduates for the new primary care and home-based initiatives and positions which substitute nursing care for more expensive physician care. For example, there are increasing studies to test the hypothesis that good nursing care delivered "in time" can prevent expensive hospitalization and institutionalization. There must be more research on this, and the profession must be able to develop its own researchers, educators and practitioners.

Reverend COLLINS. Thank you, Senator.

Father George is going to sit in case there is a question.

Senator PROXMIRE. Your name is Father——

Father GEORGE. Father George. William George.

Reverend COLLINS. I have four topics and four sentences.

The first topic is the National Library of Medicine, special section for bioethics. The committee supported this last year and provided $300,000.

This is a program that Georgetown does for the National Library of Medicine. The cost is around $700,000 or $800,000 out of a total $200 million budget for the bioethics. We appreciate the committee's support for the funding of $300,000.

For next year we ask for $380,000 toward this project. It is a national program and serves 4,000 institutions.

Second, HEAL. A tremendous program. Education assistance loan for health professions. A great program. It is supposed to be self-supporting.

Unless the committee takes some action, I think it will not be self-supporting. It can be. I personally was involved with the legislation setting it up. The agency is not following the guidelines, and there is some work for the committee to make specific recommendations as this is a very critical program, especially the private health professional schools. Unless it is properly administered, it can be a disaster, and we don't want it to be that.

Senator PROXMIRE. What is the title of the program again?

Reverend COLLINS. HEAL—health education assistance loan. Presently 450.

Senator PROXMIRE. If you could work with the staff of the committee on this problem it would be helpful. I am sure Chairman Weicker would want that done, too. I would appreciate that.

Reverend COLLINS. The other is on college housing, Father George has expertise and has the same recommendation. It is a great program. There is going to be a surge of money. It is jointly administered by the Office of Education and GNMA, Government National Mortgage Association. Very complicated. But there is a simple solution to keep it alive.

It has benefited, as you know, the University of Wisconsin, and we would like once again to offer a suggestion of assistance with the staff.

Senator PROXMIRE. I am somewhat concerned about that program.

Reverend Collins, the College Housing Program, as you know, has it critics, particularly in view of the fact that the expectation is, for demographic reasons, that the college population will decline and the present college housing will be adequate, if not surplus to the need.

Reverend COLLINS. Well, the answer to that is——

Senator PROXMIRE. In fact, my son is 22 years old, and a table the New York Times carried the other day, indicated there were more people his age than any other age. When you went from the age of 18 to the age of 28, those 10 years had by far the highest population concentration.

As a matter of fact, there are 600,000 more people at age 22 than there are at age 1, in spite of the fact, of course, that a few youngsters die between the ages of 1 and 22.

Reverend COLLINS. I can answer that simply. Presently, there are 11 million people in postsecondary education. That has increased. Those who are housed, of 11 million are about 2 million. The emphasis of change of housing has gone—in the various parts of the country has increased in the country area and others in the city. So there is a need.

It is one that ought to be carefully looked at because there will be a bulge of money coming back out of the revolving fund.

Senator PROXMIRE. Very good.

Reverend COLLINS. The last is—I was very interested in one of the prior witnesses on immigrants, on the effect of children of immigrants in public education. Georgetown has a pilot program taking out students, having them work with the District of Columbia. We have—one out of three of our students speaks Spanish, and this is a resource that could be spread across the Nation, and I would like to offer that.

That is it.

Senator PROXMIRE. Thank you, sir.

Father GEORGE. One simple thing about college housing.

Senator PROXMIRE. Father George.

Father GEORGE. Early on in the program, the criteria supported schools of large numbers of students. You know, you had 30,000, 40,000 types of schools winning most of your college housing awards. For the smaller school, inner cities or even some of your smaller community colleges, to survive they are going to have to have housing because they are going to be looking for students that are not just city-bound; they can commute to school.

So they are in a stage now with the criteria, since the larger schools are finding declines in numbers and there are students who don't need more dormitories because they really—some of them are even overbuilt when it was a very rich program. Now that the smaller schools can actually compete on the basis of need, they have a greater need than a lot of the larger schools now. They are able to win the awards.

Senator PROXMIRE. I would like to have some documentation given me on that point. I will tell you, the chancellor of the University of Wisconsin at Stevens Point, who later became Governor of the State, took me through the campus 8 or 10 years ago, and he said, "Look at these great dormitories we have. In a few years they are going to be empty. We won't know what to do with them. We will have to use them for housing for the elderly, and so forth."

So I would like to get any documentation that you have on that particular point.

Father GEORGE. From Wisconsin we have had two requests this year.

Senator PROXMIRE. I am sure you will get a lot of requests. [Laughter.]

Thank you a lot. Glad to see you.

STATEMENT OF KATHERINE OZER, LEGISLATIVE DIRECTOR OF THE U.S. STUDENT ASSOCIATION

PREPARED STATEMENT

Senator PROXMIRE. Our next witness is Katherine Ozer, legislative director of the U.S. Student Association.

[The statement follows:]

STATEMENT OF KATHERINE OZER

Mr. Chairman and members of the Subcommittee, I appreciate this opportunity to appear before you today to present testimony on the Fiscal Year 1985 appropriations for Title IV Student Financial Assistance programs. I am the Legislative Director of the United States Student Association (USSA) representing students attending over 400 postsecondary institutions across the country.

The United States Student Association embodies a basic commitment to helping ensure student access to a postsecondary education. We define access as not only the availability of and information about adequate student financial aid but also the full enforcement of civil rights laws on campus including Title IX, Title VI, and Section 504 of the Education Amendments of 1972. Last spring, USSA and the National Student Educational Fund (NSEF) conducted hearings around the country, providing students a forum to discuss their experiences and thoughts on the existing financial aid programs as the consumers of student aid. I have included our Special Report on the hearings entitled: Dialogue and Data: Students Speak Out on Diminishing Access and Equal Opportunity in Postsecondary Education for the record.

The clear message that emerged from the hearings is that students are facing record levels of unmet need due to the increasing costs of attending a postsecondary institution. The 23 percent drop in the value of student aid since 1980 has forced some students to borrow more, some to work more, and others to forego a higher education. USSA recognizes that many of the current problems have been the result of drastic budget proposals which would have totally altered the intent of the programs and whose effects have been minimized by consistent education support by members of this committee. The reality is that many students' educational opportunities have been seriously jeopardized and this trend must be reversed.

My comments today will focus on the student financial aid programs that USSA views as the most critical in diminishing the barriers to higher education for low and moderate income students. I will discuss both the Administration's FY 1985 budget proposals and our recommendations for funding levels for the Pell Grant and TRIO programs.

EDUCATION BUDGET OVERALL

As you are well aware, the Administration's budget request for the Department of Education is $15.5 billion. While we recognize that this level is $100 million greater than the FY 1984 appropriations, we are very concerned about the assumption of increased cost in the Guaranteed Student Loan program which is balanced by drastic cuts in need based student aid programs. This proposal would result in the loss of over 900,000 student aid awards to undergraduate and graduate students. The Administration's budget presents a total restructuring plan for student aid based on a "self-help" philosophy which imposes increasing loan burdens on students instead of primary access to grant programs. The student self-help criteria states that a student must come up with 40 percent of their total cost of attending an institution through loans, work, or College Work-Study or $500 whichever is greater before getting a grant. USSA views the Reauthorization of the Higher Education Act as the arena for major structural changes in the existing programs, not the budget and appropriations process. USSA contends that students are contributing a large share of their cost of attending a postsecondary institution through summer jobs, part-time jobs during the academic year, college work-study jobs, and loans. We are very concerned about a specific criteria being imposed on all students which could force an increasing number of students into higher loan debts or making the decision to forego an education.

PELL GRANTS

USSA supports increasing the maximum Pell Grant award. In 1979, the maximum Pell Grant covered about 46 percent of average college attendance costs. Next year, the program will cover only 31 percent of costs. This drastic decline of 15 percent threatens the effectiveness of a program that was created as the Basic Educational Opportunity Grant and has been funded as the foundation of student financial assistance for low and moderate income students. USSA is very concerned about the Administration's FY 1985 budget request which would set the Pell Grant maximum at $3,000 without any increased appropriation. Clearly maintaining a $2.8 billion appropriation with an increased maximum award would result in a significant loss in the number of students who would receive a

Pell Grant award. The loss in the Pell Grant program is in addition to the loss of student awards in the Supplemental Educational Opportunity Grant (SEOG) program, the reduction in National Direct Student Loan (NDSL) due to no new federal funds in the program and the loss of federal funds proposed for the State Student Incentive Grant Program (SSIG). Elimination of SSIG funds could result in a decline of awards in some states and the demise of the state grant program in others where the state has not been contributing over 50 percent of the cost of the program.

USSA supports increasing the maximum Pell Grant award from $1900 to $2100 to significantly reverse the decline of the past four years. The Pell Grant program is targeted to those students who are most dependent on federally supported student financial assistance to attend a postsecondary institution. 75 percent of the 2.6 million Pell Grant recipients funded through the FY 1984 appropriation of $2.8 billion are from families with incomes under $15,000. About 30 percent are minority students -- a sector of the population whose participation in higher education has declined significantly over the past four years according to research conducted by the National Commission on Student Financial Assistance.

USSA recommends an appropriation level for Pell Grants which will accomodate an increase in the maximum award and an increase in the percentage of college attendance costs from 50 to 60 percent. This increase in the "percentage of cost" will result in students' real costs, especially those students attending moderate cost institutions and living off campus, to have their Pell Grant more accurately reflect the costs that they are incurring.

COLLEGE WORK-STUDY

USSA recommends an increased appropriation for the CWS program but is very concerned about the $295 million increase proposed in the Administration's FY 1985 budget. First, the $295 million increase does not even make up for the losses in the other campus based programs which are slated for elimination under this same proposal. Secondly, there is no guarantee that there are additional jobs on the magnitude proposed either on campus or in the community enabling a student to work the maximum hours in a CWS award. A more realistic increase which could be absorbed by the campus and fill the needs of students in the packaging of campus based awards appears to be about $50 million. This level is $15 million above the FY 1983 level and would provide approximately 70,000 additional CWS jobs.

TRIO PROGRAMS - SPECIAL SERVICES FOR DISADVANTAGED COLLEGE STUDENTS

USSA in conjunction with the National Council of Educational Opportunity Associations (NCEOA) representing TRIO programs across the country recommend a FY 1985 TRIO appropriation of $200 million. This increase of $34.5 million over FY 1984 would reverse the 28 percent deterioration in the funding of TRIO programs since 1980.

TRIO programs have a long history of providing educationally and economically disadvantaged students with access to education. Last year the five programs that comprise TRIO provided services to 493,000 students which is less than 10 percent of the eligible population. Studies have shown that students who receive the full range of supportive services - counseling, tutoring and basic skills are 2.26 times more likely to complete the first year of college. Twenty percent of the Black and Hispanic students who enter college have participated in some aspect of the TRIO program. These programs provide disadvantaged students with a realistic opportunity to escape the cycles of poverty and achieve the upward mobility afforded by a higher education.

The Administration's FY 1985 budget proposal recommends slashing TRIO programs by 50 percent; from $164.5 million to $82.35 million which would eliminate critically needed services for over 150,000 students. Level funding for TRIO would translate into cuts in programs and services for over 27,000 students. USSA strongly urges the Subcommittee to fund TRIO at $200 million, a level which would restore services to their 1980 level and help reverse the current trend of decreased numbers of students from low income backgrounds attending postsecondary education.

In conclusion, USSA strongly urges the Subcommittee to increase the appropriations for student financial assistance programs which will continue to reverse the decline in the value of the student aid dollar on campus. Students have been caught between tuition increases and inflated living costs coupled with level funding of financial aid programs which each year has meant real cuts.

The budget process is attempting to provide some room for increases in the Budget Resolution. USSA is working with students across the country on the budget arena but recognize that the key to increases in the financial aid programs for academic year 1985-86 is in the appropriations process. We hope that you will take the views of students -- the consumers of student financial aid into consideration in determining both the funding levels and the timeliness of decisions to reaffirm for students that there is truly a committment to funding excellence in education.

I thank you for this opportunity to express our position on the FY 1985 appropriation levels for student financial assistance that directly affect students across the country -- those students considering entering postsecondary education and those who are trying to complete their education. It is the investment in education today that is a clear investment in our futures.

Ms. OZER. Mr. Chairman and members of the subcommittee, I appreciate this opportunity to appear before you today to present testimony on the fiscal year 1985 appropriations for title IV student financial assistance.

I am the legislative director of the U.S. Student Association, which is the largest national student organization, representing students attending over 400 postsecondary institutions across the country.

The USSA represents the statewide student associations in Wisconsin, New York, Pennsylvania, Iowa, Oregon, Florida, Georgia, Illinois, New Jersey, Ohio, Massachusetts, and individuals in Government and many other States.

Senator PROXMIRE. Thank you. I am glad you didn't put them in alphabetical order.

Ms. OZER. I didn't.

Senator PROXMIRE. Random. I like it starting off with Wisconsin.

Ms. OZER. That is right. But we cosponsored national student action and lobby day at the end of March with two other national student organizations, and the theme of our button was "Education cuts never heal." So if someone else passed a button to Senator Weicker, I will pass one now.

The U.S. Student Association embodies a basic commitment to helping ensure student access to postsecondary education.

We define access as not only the availability of and information about adequate student financial aid but also the full enforcement of civil rights laws on campus, including title VI, title IX, and section 504 of the Education Amendments of 1972.

Last spring, USSA and the national student educational fund conducted hearings around the country, providing students a forum to discuss their experiences and thoughts on the existing financial aid programs as the consumers of student aid. I have included our special report on the hearings, entitled "Dialog and Data—Students Speak Out on Diminishing Access and Equal Opportunity in Postsecondary Education," and I hope that it can be included in the record.

The hearings were looking basically toward reauthorization, but the clear message that emerged from the hearings is that students are facing record levels of unmet need due to the increasing costs of attending a postsecondary institution.

The 23 percent drop in the value of student aid since 1980 has forced some students to borrow more, some to work more, and others to forego a higher education totally. USSA recognizes that many of the current problems have been the result of drastic budget proposals which would have totally altered the intent of the programs and whose effects have been minimized by constant support for education by members of this subcommittee.

The reality, though, is that many students' educational opportunities have been seriously jeopardized, and this trend must be reversed.

My comments today will focus on the student financial aid programs that USSA views as the most critical in diminishing the barriers to higher education for low- and moderate-income students. I will discuss both the administration's fiscal year 1985 budget proposals and our specific recommendations for funding levels for the Pell grant and college work/study and TRIO programs.

As you are well aware, the administration's budget request for the Department of Education is $15.5 billion. While we recognize that this level is $100 million greater than the fiscal year 1984 appropriations, we are very concerned about the assumption of increased cost in the Guaranteed Student Loan Program, which doesn't increase the number of students who are getting the loans, which is balanced by drastic cuts in need-based student aid programs.

The administration's proposal would result in the loss of over 900,000 student aid awards to undergraduate and graduate students. The administration's budget presents a total restructuring plan for student aid based on a self-help philosophy which imposes increasing loan burdens on students instead of primary access to grant programs.

The student self-help criteria states that a student must come up with 40 percent of their total cost of attending an institution through loans, work, or college work/study, or $500, whichever is greater, before getting a grant.

USSA views the reauthorization of the Higher Education Act as the arena for major structural changes in the existing programs, not the budget and appropriations process, which has been the attempt both this year and last year.

USSA contends that students are contributing a large share of their cost of attending a postsecondary institution through summer jobs, part-time jobs during the academic year, college work/study jobs, and loans. We are very concerned about a specific criteria being imposed on all students which could force an increasing number of students into higher loan debts or making the decision to forego an education.

In terms of Pell grants, USSA supports increasing the maximum Pell grant award. In 1979 the maximum Pell grant covered about 46 percent of average college attendance costs. Next year the program will cover only 31 percent of costs. This drastic decline of 15 percent threatens the effectiveness of a program that was created as the basic educational opportunity grant and has been funded as the foundation of student financial assistance for low- and moderate-income students.

USSA is very concerned about the administration's fiscal year 1985 budget request, which would set the Pell grant maximum at $3,000 without any increased appropriation. Clearly maintaining a $2.8 billion appropriation with an increased maximum award would result in a significant loss in the number of students who would receive a Pell grant award.

The loss in the Pell Grant Program, according to the proposal, would be in addition to the loss of student awards in the SEOG Program, the reduction in national direct student loan due to no new Federal funds in the program, and the loss of Federal funds proposed for the State Student Incentive Grant Program.

Elimination of SSIG funds could result in a decline of awards in some States and the demise of the State Grant Program in others, where the State has not been contributing over 50 percent of the cost of the program, which is why it was created, to create that incentive.

USSA supports increasing the maximum Pell grant award from $1,900 to $2,100 to significantly reverse the decline of the past 4 years. The Pell Grant Program is targeted to those students who are most dependent on federally supported student financial assistance to attend a postsecondary institution.

Seventy-five percent of the 2.6 million Pell grant recipients, funded through the fiscal year 1984 appropriation of $2.8 billion, are from families with incomes under $15,000. About 30 percent are minority students—a sector of the population whose participation in higher education has declined significantly over the past 4 years, according to research conducted by the National Commission on Student Financial Assistance.

USSA recommends an appropriation level for Pell grants at $2.8 billion as a minimum, which will accommodate an increase in the maximum award and an increase in the percentage of college attendance costs from 50 to 60 percent.

This increase in the percentage of costs will result in students' real costs, especially those students attending moderate cost institutions and living off campus, to have their Pell grant more accurately reflect the costs that they are incurring.

In terms of the college work/study, USSA recommends an increased appropriation for the CWS Program, but we are very concerned about the $295 million increase proposed in the administration's fiscal year 1985 budget.

First, the $295 million increase does not even make up for the losses in——

Senator PROXMIRE. Could you summarize in about 1 minute?

Ms. OZER. Yes; I will.

In the other campus-based programs which are slated for elimination under this same proposal.

Second, there is no guarantee that there are additional jobs on the magnitude proposed either on campus or in the community enabling a student to work the maximum hours, which would be part of that larger CWS award.

To briefly summarize the TRIO programs, I know that earlier today you heard testimony from the National Council of Educational Opportunity Associations. USSA fully concurs with their recommendation for fiscal year 1985 TRIO appropriation of $200 million. This increase of $34.5 million over fiscal year 1984 would reverse the 28-percent deterioration in the funding of TRIO programs since 1980.

USSA has had a long commitment of working very closely with TRIO students and has had an intern in our office every semester, including a student from the University of Wisconsin from Steven's Point last fall. He did a lot of work and has remained very closely with the State and is now involved in working with student funds.

So basically we are in full support of increasing the funds for that program. It has turned out to be very effective in counseling, tutoring, and basic skills in a situation where TRIO students are 2.26 times more likely to complete the first year of college. Both entrance and retention we feel are very important.

In conclusion, USSA strongly urges the subcommittee to increase the appropriations for student financial assistance, which will continue to reverse the decline in the value of the student aid dollar on campus.

We are aware that this week is key in the budget process to try to increase some of the ceilings so that we can see some increase in appropriations, and we hope we have the support of the committee in looking toward the issues that we have brought up.

PREPARED STATEMENTS

Senator PROXMIRE. Thank you very much. Statements submitted for the record on appropriations for student financial assistance will be inserted in the record at this point.

[The statements follow:]

STATEMENT OF REV. WILLIAM L. GEORGE, S.J.

Mr. Chairman and members of the Committee, I am Fr. William L. George, S.J., Special Assistant to the President of Georgetown University.

The College Housing Loan Program was established in 1950 to provide low-interest long-term loans for the construction, renovation and acquisition of student and faculty housing and related facilities. It was later amended to provide low-interest loans for energy conservation projects. The program, now almost 35 years old, has been of enormous benefit in providing more than $3 billion in loans for nearly 3400 projects to ensure the availability of adequate affordable housing to students at colleges and universities across the country. New loan commitments are made from a revolving fund which derives its income from funds borrowed from the Treasury prior to 1967, from funds obtained through the sale of participation certificates to the public in 1967 and 1968 marketed through the Government National Mortgage Association (GNMA), from principal repayments and interest income on prior year loans, and from investment income from the GNMA participation sales fund. Commitments for new loans are made in one fiscal year for use in succeeding fiscal years while operating expenses are paid by annual income in the revolving fund. The remaining $451 million in GNMA participation certificates are due to be retired in 1987 and 1988.

Because the College Housing Loan Program was established as a revolving account with no expiration date on its authority, the repayment of interest and principal on long term loans will continue to produce a steady stream of income which can be used to provide for any severe unmet need for college housing and energy conservation loans without requiring the appropriations of any additional funds. In FY'83, 215 colleges and universities requested assistance from the College Housing Loan Program but only 28 projects could be funded. (Exhibit A)

I request that the Committee continue its support of the College Housing Loan Program to help colleges and universities with a critical need for affordable student housing and energy conservation by authorizing $40 million for new loan commitments in FY'85 to be made from income in the revolving fund over and above the operating expenses of the program. Once again, I would like to stress that this requires no additional appropriation of funds.

The Appropriations Subcommittee on HUD/NSF used to have jurisdiction over funding for the Colleges Housing Loan program until the administration of the program was transferred to the Department of Education from the Department of Housing and Urban Development. Last year the House Appropriations Subcommittee on Labor/HHS/Education directed the Department of Education to determine whether or not it has the authority to refinance the GNMA participation certificates.

> The Committee notes that at the 1984 budget hearings on the College Housing Program the Department [of Education] was requested to provide the opinion of the General Counsel on the question of whether the Department has the authority to refinance the GNMA notes due in 1987 and 1988. (House Report 98-357 p.125)

The General Counsel of the Department of Education determined that that authority resides with GNMA under the Secretary of the Department of Housing and Urban Development. The attached letters from the Department of Education and the Department of Housing and Urban Development confirm that an authority does exist to refinance the GNMA notes. (Exhibits B and C)

We request that your Committee recommend that the Secretary of the Department of Education work with GNMA to develop a feasible plan for continuing the College Housing Loan Program which has been a critical part of the effort of the more than 2000 colleges and universities across the country to make affordable housing available to students.

On behalf of our President, Rev. Timothy S. Healy, S.J., I would like to thank you for this opportunity to testify.

STATEMENT OF FATHER HAROLD BRADLEY, S.J., SPECIAL ASSISTANT TO THE PRESIDENT, GEORGETOWN UNIVERSITY

Mr. Chairman and members of this Committee, I am Father Harold Bradley, S.J., Special Assistant to the President of Georgetown University.

We are pleased to have this opportunity to thank this Committee for its support of the work of the Center for Immigration Policy and Refugee Assistance (CIPRA) at Georgetown University and to report on its current activity. We have responded to a request for proposals from the Office of Refugee Resettlement for a National Leadership Training Program for officials and administrators of state and local refugee programs. We are looking forward to hearing the results of the competition for this award. We are pleased to report that since January, Georgetown has been imminently involved with the Board of Education of the District of Colombia in responding to the needs of recent immigrant minority children.

CIPRA is cooperating with the District of Colombia School Board to work with the schools boards in those cities which are receiving the major impact of recent minorities who cope with the current problems. The purpose of this assistance will be to establish an agenda for the coming decade, thus enabling leaders to effectively plan for the impact of immigration and its consequent cultural and linguistic diversity upon school systems of these receiving communities. The Center is concerned with objectively defining issues and problems, examining alternative solutions, and presenting options to appropriate decision makers. It is Georgetown University's belief that only by examining the inner relationship of all the contributing factors to the current situation in an objective manner can feasible options be defined. This Center sees the need for in-depth studies of the impact of our foreign policy on immigration patterns and immigration policies to predict and prevent social and educational problems which will inevitably arise. These studies will serve as a basis for developing an immigration policy for the future which will be consistant with our foreign and domestic policies.

We believe that the refugee and immigration problems of the next thirty years should be considered now while we have the opportunity to choose among a variety of options. We believe that with foresight some of the deleterious impacts of recent immigrant minorities on the school systems in the major receiving cities can be significantly reduced so that the school systems can continue to prepare their students for effective participation in the work force and in the social and political community.

On behalf on our President, Reverend Timothy S. Healy, S.J., we thank you for the opportunity to appear before this Committee.

Exhibit A

* Historically Black Colleges

LIST OF COLLEGE HOUSING APPLICATIONS - FY 1983

State	Project No.	Type	Loan Amount
ALABAMA			
* Alabama State University	CH-AL-701	[illegible]	[illegible]
* Tuskegee Institute	CH-AL-702	Energy	[illegible]
Huntington College	CH-AL-703	Housing	225,500
* Stillman College	CH-AL-704	Housing	[illegible]
Alabama Aviation and Technical College	CH-AL-705	Housing	[illegible]
University of Montevallo	CH-AL-706	Housing	[illegible]
University of Montevallo	CH-AL-707	Energy	216,140
Auburn University - Montgomery Campus	CH-AL-708	Housing	[illegible]
Auburn University - Main Campus	CH-AL-709	Energy	[illegible]
Troy State University	CH-AL-711	Energy	373,762
Livingston University	CH-AL-712	Housing	[illegible]
Wallace State Community College	CH-AL-713	Housing	966,868
ARIZONA			
Northern Arizona University	CH-AZ-701	Housing	1,470,326
Navajo Community College	CH-AZ-702	Housing	2,101,294
ARKANSAS			
University of Arkansas at Little Rock	CH-AR-701	Housing	1,314,500
*Philander Smith College	CH-AR-702	Housing	600,000
CALIFORNIA			
Mt. St. Mary's College	CH-CA-701	Energy	225,365
Porterville College	CH-CA-702	Housing	2,796,205
California Institute of Technology	CH-CA-703	Energy	3,500,000
California State University-Fullerton	CH-CA-704	Housing	3,500,000
California State University-Hayward	CH-CA-705	Housing	3,500,000
California State University-Los Angeles	CH-CA-706	Housing	3,500,000
California State University-Long Beach	CH-CA-707	Housing	3,500,000
California Polytechnic University-Pomona	CH-CA-708	Housing	3,500,000
California State University-San Diego	CH-CA-709	Housing	3,500,000
California State University-Sonoma	CH-CA-710	Housing	2,736,000
California State University-Stanislaus	CH-CA-711	Housing	3,345,000
Yosemite Community College	CH-CA-712	Housing	2,655,173
Mt. St. Mary's College-Chalon Campus	CH-CA-713	Housing	1,097,638
University of Southern California	CH-CA-714	Energy	785,000

State	Project No.	Type	Loan Amount
COLORADO			
Fort Lewis College	CH-CO-701	Housing	$ 3,000,000
CONNECTICUT			
Wesleyan University	CH-CT-701	Housing	1,299,700
Yale University	CH-CT-702	Energy	106,414
Yale University	CH-CT-703	Housing	2,122,458
DELAWARE			
University of Delaware	CH-DE-701	Energy	888,700
DISTRICT of COLUMBIA			
*Howard University	CH-DC-701	Housing	3,500,000
American University	CH-DC-702	Energy	128,000
Catholic University	CH-DC-703	Housing	3,500,000
Georgetown University	CH-DC-704	Housing	3,500,000
Manarishi International Univ.	CH-DC-705	Energy	100,000
FLORIDA			
Biscayne College	CH-FL-701	Housing	2,513,000
University of Central Florida	CH-FL-702	Housing	1,999,950
* Bethune-Cookman College	CH-FL-703	Housing	899,000
Florida State University	CH-FL-704	Housing	3,500,000
* Florida Memorial College	CH-FL-705	Housing	2,998,093
Florida Institute of Technology	CH-FL-706	Housing	3,500,000
Florida International University	CH-FL-707	Housing	3,500,000
GEORGIA			
* Morehouse College	CH-GA-701	Housing	2,830,500
* Morehouse School of Medicine	CH-GA-702	Housing	3,017,810
* Morris Brown College	CH-GA-703	Housing	2,104,400
* Paine College	CH-GA-704	Housing	1,781,830
* Clark College	CH-GA-705	Housing	1,840,936
HAWAII			
University of Hawaii-Hilo	CH-HI-701	Housing	3,500,000
IDAHO			
North Idaho College	CH-ID-701	Housing	345,500

State	Project No.	Type	Loan Amount
ILLINOIS			
DePaul University	CH-IL-701	Housing	$ 3,500,000
Southern Illinois University	CH-IL-702	Energy	330,000
INDIANA			
St. Joseph's College	CH-IN-701	Housing	1,395,400
St. Mary's College	CH-IN-702	Housing	3,500,000
IOWA			
Mt. Mercy College	CH-IA-701	Housing	600,000
Western Iowa Dorms	CH-IA-702	Housing	3,465,890
Briar Cliff College	CH-IA-703	Energy	159,550
Palmer College of Chiropractic	CH-IA-704	Housing	3,500,000
Buena Vista College	CH-IA-705	Energy	230,000
Dordt College	CH-IA-706	Housing	647,300
Maharishi International U.	CH-IA-707	Housing	1,080,000
Coe College	CH-IA-708	Housing	2,215,500
Clarke College	CH-IA-709	Energy	470,000
KANSAS			
St. John's College	CH-KS-701	Housing	864,825
KENTUCY			
* Kentucky State University	CH-KY-701	Housing	3,500,000
LOUISIANA			
* Xavier University of Louisiana	CH-LA-701	Energy	168,000
MAINE			
St. Joseph's College	CH-ME-701	Housing	1,883,610
MARYLAND			
University of Maryland-College Park Campus	CH-MD-701	Housing	3,500,000
University of Maryland-College Park Campus	CH-MD-702	Energy	1,980,000

State	Project No.	Type	Loan Amount
MASSACHUSETTS			
Boston College	CH-MA-701	Housing	$ 2,500,000
Merrimack College	CH-MA-702	Housing	3,120,000
Tufts University	CH-MA-703	Housing	3,481,080
University of Lowell	CH-MA-704	Housing	3,500,000
New England College of Optometry	CH-MA-705	Housing	872,850
Newbury Jr. College	CH-MA-706	Housing	1,200,000
MICHIGAN			
Saginaw Valley State College	CH-MI-701	Housing	3,500,000
Kalamzoo College	CH-MI-702	Housing	1,140,492
Lake Superior State College	CH-MI-703	Housing	2,359,000
MINNESOTA			
Bethel College and Seminary	CH-MN-701	Housing	3,493,500
MISSISSIPPI			
University of Southern Miss.	CH-MS-701	Housing	2,476,500
Delta State University	CH-MS-702	Housing	2,320,000
Copiah-Lincoln Jr. College	CH-MS-703	Housing	3,150,000
Miss. Gulf Coast Jr. College	CH-MS-704	Housing	3,325,555
* Tougaloo College	CH-MS-705	Housing	3,500,000
Northwest Miss. Jr. College	CH-MS-706	Housing	3,354,810
MONTANA			
Dull Knife Memorial College	CH-MT-701	Housing	871,000
MISSOURI			
Missouri Western St. College	CH-MO-702	Housing	2,001,500
St. Louis University	CH-MO-703	Energy	562,551
NEW HAMPSHIRE			
St. Anselm College	CH-NH-701	Housing	796,000

State	Project No.	Type	Loan Amount
NEW JERSEY			
Stockton State College	CH-NJ-701	Energy	$ 300,000
Rutgers University-Newark	CH-NJ-702	Housing	3,500,000
Trenton State College	CH-NJ-703	Housing	3,500,000
Glassboro State College	CH-NJ-704	Housing	1,957,500
Rutgers University-Camden	CH-NJ-705	Housing	3,500,000
Rutgers University-New Brunswick	CH-NJ-706	Housing	3,500,000
Jersey City State College	CH-NJ-707	Housing	3,541,000
Ramapo College of New Jersey	CH-NJ-708	Housing	3,500,000
St. Peter's College	CH-NJ-709	Housing	1,100,000
NEW MEXICO			
Western New Mexico University	CH-NM-701	Housing	1,373,071
New Mexico Institute of Mining and Technology	CH-NM-702	Housing	2,781,893
NEW YORK			
Culinary Institute of America	CH-NY-701	Housing	3,464,100
Long Island University	CH-NY-702	Housing	3,500,000
Columbia University of New York	CH-NY-703	Housing	3,500,000
Fordham University	CH-NY-704	Housing	2,000,000
Mohawk Valley Community College	CH-NY-705	Housing	2,233,875
Thomas C. Clarkson Memorial Col.	CH-NY-706	Housing	2,000,000
Manhattan College	CH-NY-707	Housing	3,500,000
Marist College	CH-NY-708	Housing	1,500,000
Columbia University-Teachers Col.	CH-NY-709	Energy	336,890
Iona College	CH-NY-710	Housing	600,000
Iona College	CH-NY-711	Energy	156,390
New York Medical College	CH-NY-712	Housing	1,283,000
New York University	CH-NY-713	Housing	3,500,000
Pace University-Briacliff	CH-NY-714	Housing	3,500,000
Siena College	CH-NY-715	Housing	3,500,000
Syracuse University	CH-NY-716	Energy	4,211,800
Ithaca College	CH-NY-717	Housing	995,500
Bard College	CH-NY-718	Housing	696,000
Marymount Manhattan College	CH-NY-719	Housing	907,133
Rensselaer Polytechnic College	CH-NY-720	Energy	100,000
Rensselaer Polytechnic College	CH-NY-721	Housing	3,500,000
Skidmore College	CH-NY-722	Energy	229,000

State	Project No.	Type	Loan Amount
NORTH CAROLINA			
Campbell University	CH-NC-701	Housing	$ 3,000,000
Catawba College	CH-NC-702	Housing	774,000
High Point College	CH-NC-703	Housing	1,921,200
*St. Augustine's College	CH-NC-704	Housing	1,307,000
*North Carolina A&T State Univ.	CH-NC-705	Housing	1,450,000
Pfeiffer College	CH-NC-706	Energy	122,500
Wake Forest University	CH-NC-707	Housing	3,700,000
University of N.C.-Greensboro	CH-NC-708	Housing	2,003,040
University of N.C.-Charlotte	CH-NC-709	Housing	1,000,000
NORTH DAKOTA			
University of North Dakota	CH-ND-701	Energy	1,001,778
North Dakota State University	CH-ND-702	Housing	3,000,000
Minot State College	CH-ND-703	Housing	700,000
OHIO			
Ohio State University	CH-OH-701	Housing	3,500,000
OKLAHOMA			
The University of Tulsa	CH-OK-701	Housing	3,500,000
Connors State College	CH-OK-702	Housing	1,836,915
Rogers State College	CH-OK-703	Energy	198,000
OREGON			
Willamette University	CH-OR-701	Housing	923,665
Portland Student Services Inc.	CH-OR-702	Housing	3,413,272
University of Portland	CH-OR-703	Energy	107,870

State	Project No.	Type	Loan Amount
PENNSYLVANIA			
University of Scranton	CH-PA-701	Housing	$ 3,500,000
Bloomsburg University	CH-PA-702	Housing	3,100,000
Carnegie-Mellon University	CH-PA-703	Energy	350,000
* Lincoln University	CH-PA-704	Housing	3,187,450
Pennsylvania State University	CH-PA-705	Housing	2,475,500
Gannon University	CH-PA-706	Energy	112,250
University of Pennsylvania	CH-PA-707	Energy	250,000
Villa Maria College	CH-PA-708	Energy	195,000
Wilson College	CH-PA-709	Energy	397,980
California State University	CH-PA-710	Housing	3,094,800
Philadelphia College of Bible	CH-PA-711	Housing	4,468,500
Thiel College	CH-PA-712	Energy	297,993
Thomas Jefferson University	CH-PA-713	Energy	150,000
College Misericordia	CH-PA-714	Energy	100,000
PUERTO RICO			
University of Puerto Rico-Cayey University College	CH-PR-701	Housing	3,061,000
University of the Sacred Heart	CH-PR-702	Housing	3,497,888
Inter American University of Puerto Rico-Ponce Regional Col.	CH-PR-703	Housing	2,445,700
RHODE ISLAND			
Salve Regina College	CH-RI-701	Housing	2,930,900
Brown University	CH-RI-702	Housing	3,500,000
Brown University	CH-RI-703	Energy	513,193
SOUTH CAROLINA			
Anderson Colelge	CH-SC-701	Housing	3,500,000
* South Carolina State College	CH-SC-702	Housing	4,268,200
Clemson University	CH-SC-703	Housing	2,983,100
Newberry College	CH-SC-704	Housing	1,000,000
TENNESSEE			
University of Tennessee-Chattanooga	CH-TN-701	Housing	2,537,000
* Tennessee State University	CH-TN-702	Housing	3,500,000
Hiwassee College	CH-TN-703	Housing	249,100
Freed-Hardeman College	CH-TN-704	Housing	1,402,000

State	Project No.	Type	Loan Amount
TEXAS			
*Paul Quinn College	CH-TX-701	Housing	$ 3,037,346
Cisco Jr. College	CH-TX-702	Housing	1,666,028
University of Texas-Arlington	CH-TX-703	Housing	1,954,000
Henderson County Jr. College	CH-TX-704	Housing	1,[illegible],094
University of Texas-Austin	CH-TX-705	Housing	3,500,000
University of Texas-Tyler	CH-TX-706	Housing	1,393,500
University of Texas-San Antonio	CH-TX-707	Housing	3,500,000
Austin College	CH-TX-708	Housing	1,641,818
Bee County College	CH-TX-709	Housing	2,048,300
Laredo Junior College	CH-TX-710	Housing	1,408,812
Abilene Christian University	CH-TX-711	Housing	3,254,792
University of Houston-University Park	CH-TX-712	Housing	3,500,000
Navarro College	CH-TX-713	Housing	2,474,700
Stephen J. Austin State Univ.	CH-TX-714	Housing	3,250,000
Texas Southmost College	CH-TX-715	Energy	150,000
Southwest Texas University	CH-TX-716	Housing	3,500,000
Abilene Christian University	CH-TX-717	Energy	429,235
*Jarvis Christian College	CH-TX-718	Housing	3,500,000
*Texas College	CH-TX-719	Housing	3,500,000
UTAH			
Utah State University	CH-UT-701	Housing	3,500,000
VERMONT			
Vermont Technical College	CH-VT-701	Housing	1,729,000
Norwich University	CH-VT-702	Housing	2,516,025
Southern Vermont College	CH-VT-703	Energy	104,235
VIRGINIA			
Roanoke College	CH-VA-701	Housing	1,875,000
Radford University	CH-VA-702	Housing	1,698,600
*Virginia State University	CH-VA-703	Housing	3,273,367
University of Virginia	CH-VA-704	Housing	2,070,008
VIRGIN ISLANDS			
College of the Virgin Islands	CH-VI-701	Housing	3,495,475

State	Project No.	Type	Loan Amount
WASHINGTON			
University of Washington	CH-WA-701	Energy	$ 375,651
WEST VIRGINIA			
Shepherd College	CH-WV-701	Housing	2,000,000
WISCONSIN			
Marquette University	CH-WI-701	Housing	2,695,500
Marquette University	CH-WI-702	Energy	345,000
Beloit College	CH-WI-703	Housing	850,927
Cardinal Stritch College	CH-WI-704	Housing	3,500,000
University of Wisconsin-Stout	CH-WI-705	Energy	650,000
University of Wisconsin-Stout	CH-WI-706	Housing	1,460,000

EXHIBIT B

FEB 23 1984

The Honorable Silvio O. Conte
House of Representatives
Washington, D.C. 20515

Dear Mr. Conte:

This letter is in response to your question, submitted at last year's appropriations hearing on the President's 1984 budget request for the College Housing Loans (CHL) program, regarding the possible refinancing of the program's participation certificates (PCs) held by the Government National Mortgage Association (GNMA).

Specifically, you submitted the following question:

> "Does the Department [of Education] have the authority to refinance GNMA notes to 30 years?
>
> Would you ask your legal counsel for an opinion as to whether the Department has the authority to refinance the GNMA notes to 30 years and submit it to this Committee as soon as possible?"

I apologize for the extreme delay in responding. Over the last several months, members of my staff have been in contact with Mr. Jim Kulikowski of your staff regarding the principal reason for the delay. As Mr. Kulikowski may have informed you, initially there was some question regarding the Department of Education's (ED's) jurisdictional authority for rendering an opinion on PC refinancing. My office was subsequently advised by the Department's General Counsel that it would, in fact, be inappropriate for this agency to construe the statutory language (and to subsequently advise you) on PC refinancing under a statute that vests authority for both the marketing of the certificates and for the maintenance of redemption trusts in another agency. Accordingly, we promptly requested counsel from the more appropriate agency — GNMA.

Mr. Robert W. Karpe, President of GNMA, wrote to me on January 31 with his agency's opinion on PC refinancing under the CHL program (see enclosed letter). In part, Mr. Karpe advised me that if "the principal and interest payments of the loans backing the PCs...are insufficient to pay...to retire the PCs in full," then GNMA does have the statutory authority to refinance. Mr. Karpe further advised me, however, that given ED's present course of funds transfers to the GNMA participation sales fund, there will be sufficient funds available by 1987-88 to effect full redemption of the PCs on schedule.

Mr. Karpe further emphasized to me that "[a]s the Department of Education does not have issuing authority, any refinancing of PCs must be done exclusively by GNMA." In other words, while ED could request a PC refinancing, the final decision on any such refinancing would be made by GNMA on the basis of its asssessment of the CHL program's ability (or inability, as the case may be) to meet the current PC amortization terms and the reasons for any alleged inability to meet those terms.

If you need additional information or have any further questions, please do not hesitate to let me know.

Sincerely,

Gary L. Bauer

Gary L. Bauer
Deputy Under Secretary for
Planning, Budget and Evaluation

EXHIBIT C

3 1 JAN 1984

Mr. Gary L. Bauer
Deputy Under Secretary for
Planning, Budget and Evaluation
Department of Education
400 Maryland Avenue, S.W.
Washington, D.C. 20202

Dear Mr. Bauer:

This responds to your inquiry from Congressman Silvio Conte as to whether the Department of Education has the authority to refinance participation certificates (PCs) which are backed in part by college housing loans. The PCs were issued in 1967 and 1968 by the Government National Mortgage Association (GNMA) and are scheduled to mature in 1987 and 1988.

Assuming that (i) the principal and interest payments of the loans backing the PCs that mature in 1987 and 1988 are insufficient to pay the full amount of principal and interest that is needed to retire the PCs in full and (ii) the PCs were issued pursuant to appropriation Act authority contained in 12 U.S.C. 1717(c)(4), GNMA has authority to issue additional PCs to refinance the insufficiency. The statute states in pertinent part at 12 U.S.C. 1717(c)(5):

> In the event that the insufficiency required by the trustee is on account of principal maturities of outstanding beneficial interests or participations authorized to be issued pursuant to

> paragraph (4) of this subsection, or pursuant hereto, the trustee is authorized to elect to issue additional beneficial interests or participations for refinancing purposes in lieu of requiring any trustor or trustors to make payments to the trustee from appropriated funds or other sources.

As the Department of Education does not have issuing authority, any refinancing of PCs must be done exclusively by GNMA. If the Department of Education continues its present course of funding for the time when the PCs mature, there will be no insufficiency and therefore no reason to rollover the maturing loans by refinancing them.

Please let us know if we can be of any further assistance.

Sincerely,

Robert W. Karpe

Robert W. Karpe

STATEMENT OF DAVID V.B. BRITT, EXECUTIVE VICE PRESIDENT, CHILDREN'S TELEVISION WORKSHOP

PREPARED STATEMENT

Senator Proxmire. We will now move on to related agencies. Our next witness is David Britt, executive vice president, Children's Television Workshop.

[The statement follows:]

STATEMENT OF DAVID V.B. BRITT

Thank you for the opportunity to appear before you today. I would like to address the problem of maintaining a reasonable level of quality educational television programming for this nation's children.

Specifically, I urge you and your Subcommittee to:

-- support the Corporation for Public Broadcasting's appropriation of $238 million for 1987;

-- encourage the Department of Education to spend more funds for educational television, particularly in the areas of science and math.

Children's Television Workshop has a direct interest in these appropriations. Community Service Grants from CPB will be used by public television stations to help support SESAME STREET. Additionally, funding has been provided by both CPB and the Department of Education for 3-2-1 CONTACT, our educational television series designed to make science more appealing and understandable to millions of 8-to-12 year-olds.

Recently the National Science Foundation made a long-term commitment for partial support of 3-2-1 CONTACT to provide almost a third of the funding necessary to produce 20 new programs in each of the next five years. We will be seeking the remainder of the funding from CPB and the Department of Education.

This fiscal year CPB and the Department of Education have each provided $1 million towards the project. We had anticipated receiving $1.5 million from the Department of Education but unfortunately, due to other pressures on their budget, their commitment was held to $1 million, adversely affecting the production of the new programs.

We very much hope that in future years the Department of Education will be able to provide the full share of their funding for 3-2-1 CONTACT.

Our goal is to produce these additional 3-2-1 CONTACT programs in order to build a library of science education for children that can be used for many years to come for both at-home and in-school viewing.

In the early seventies we built just such a library with our educational series on reading, THE ELECTRIC COMPANY — which remains the most widely used in-school television program in schools after six years of repeat broadcasts. We produced 130 shows of THE ELECTRIC COMPANY each season, compared to the 20 3-2-1 CONTACT shows possible at the levels of funding currently available. This, we feel, is the bare minimum necessary to make any headway toward a long-term library.

Each year it becomes more obvious that America's future industrial leadership will increasingly depend on science and technology, and fortunately we have a good start in attracting youngsters to watch 3-2-1 CONTACT. The second season of the series aired on public television stations throughout the country in the fall of 1983. These 40 new shows reached more than 16 million homes. In terms of target audience, Nielsen statistics on viewing by 6-to-11 year-olds show that Season II exceeded the 6th repeat of Season I by 57%, and the initial run of Season I by 13%, reaching more than 4 million homes. This shows that we are building audience momentum for the series that we are eager to build on with our new programs.

With audiences of this magnitude, 3-2-1 CONTACT, like our other shows, is extremely cost-effective. With repeat airings, 3-2-1 CONTACT costs only one penny per-person per-viewing. In these times that is a real educational bargain.

Children's Television Workshop works hard to ensure that 3-2-1 CONTACT has an impact beyond the screen. Teachers Guides are provided and teacher training workshops conducted around the country. So far, over 550 workshops have reached over 72,000 teachers and community leaders, and more than 650,000 copies of the Teachers Guide have been distributed. Strong participatory activities are taking place with a variety of organizations such as science museums and the Girl Scouts of America. Science clubs for children based on the series are also in effect.

Children's Television Workshop has heard, and listened to, the national concern about the state of math education in this country. We are right now seeking funding to begin a major new math series for 8-to-12 year-olds. The first season of this new series will be 65 half-hour programs to be broadcast daily on PBS stations. With 3-2-1 CONTACT, the math series will provide a daily hour of science and math education for elementary school age children, and will complement the daily hour of SESAME STREET for preschoolers.

The goal of the math series will be to supplement classroom instruction by motivating a lasting interest in math and providing children with practical problem-solving and related math skills which usually get short-shrift in schools.

Major financial support for this series, some $6 million, must come from the Department of Education, which at the present time does not have funds in its budget to support this project. We anticipate completing the budget with funds from the Corporation for Public Broadcasting, NSF, corporations and foundations. We know from our previous experiences, however, that we have to obtain the great bulk of the funding from Federal sources to make a major project of this nature come about.

Last year, three blue ribbon panels examined America's schools, particularly at the secondary level -- and found them wanting -- unable at present to provide the education needed by our children. These panels made many recommendations that if enacted would vastly improve our system of secondary and higher education in the coming decade. Acknowledged, but largely unexamined, is the fact that the quality of secondary and higher education depends importantly on the base provided by elementary education and what children learn before they go to school. Remediation at the secondary or collegiate level is a slow, costly process. Motivating and challenging children at the preschool and primary level is cost-effective and benefits both the child and the schools. While changing our nation's schools may take a decade or more, the effective and wise use of television can have major impact within a year or so.

The simple truth is that education occurs both inside and outside the classroom. The school is not an isolated provider of education. It can only work effectively in an environment which supports learning and achievement.

The home is a key part of that equation. Television has become a vital and integral part of the home.

Children watch enormous amounts of television. The weekly viewing average among children aged 6-to-11 is twenty seven hours, totalling around one thousand, four hundred hours each year. Television that is designed to be both educational and entertaining can command children's attention, teach specific skills, and impart general knowledge.

New technologies hold promise of adding a powerful means of providing an education — which Children's Television Workshop and other organizations are actively exploring. However, the excitment of new technologies should not cloud the fact that it will be a long time before access will be effectively available to large numbers of children, especially including disadvantaged.

During this decade, and probably the next, broadcast television will remain the technology which can deliver quality education to mass audiences on a cost-effective basis. It works, and it is widely available to rich and poor alike.

As a nation, we have not fully committed ourselves to using broadcasting to support schoolroom learning and create a learning society that will help us to achieve the national goals that we all applaud.

The future of this country depends on a citizenry literate in science and math. Japan, and other nations, out-distance us in the teaching of their young in these crucial subjects. We'll pay dearly for this gap in the future if the trend continues.

Elementary school budgets are starving. And elementary school teachers, frequently without training in math or science themselves, often find these subjects as forbidding as their students do. Quality broadcast educational television can excite, motivate and teach students, teachers and parents alike — building the base for long-term competence and motivation of our young people before they turn-off on these subjects. If a child does not develop interest and confidence in the lower grades, it's almost certainly too late by the time high school is reached.

Commercial television, whether for children or adults, is designed to sell products; it can give scant attention to education. With Federal support, public television can help our teachers develop tomorrow's work-force — and even pioneers in science, technology and math. Measured in terms of national benefit, continued funding of quality educational television is no frill or luxury.

Federal funding is essential to ensure the production of programs such as 3-2-1 CONTACT and our proposed math series. CPB and the Department of Education stand as essential funding sources for these television efforts in science and math education.

The Department of Education no longer has any budget specifically earmarked for educational television. We urge this Subcommittee to specify such expenditures, as has been the case in the past. Additionally, CTW funds have been curtailed as part of the Chicago court freeze of the Secretary's discretionary funds, which is another reason for recommending that funds for educational television use be earmarked. The Department of Education's responsibilities, particularly in the areas of science and math, clearly include cost-effective methods of reaching large numbers of children.

Kids don't vote. They have no lobby. We should thoughtfully consider the consequences to our country if we develop a generation of children without the educational skills to compete in an ever-increasingly complex and competitive world. I know money is short -- but so is time.

Mr. BRITT. Thank you, Mr. Chairman. I am David Britt, executive vice president, Children's Television Workshop. I would like to get the subcommittee to focus on the problem of building a reasonable level of quality educational television programming for this Nation's children. Legislatively that takes the form of support of an appropriation of $230 million for CPB in fiscal 1987, and, also, to ask you to direct the Department of Education to spend more funds for educational television, particularly in the areas of science and math.

Children's Television Workshop has a specific interest in these areas. CPB funds are used by public television stations to help support "Sesame Street." The remainder of those costs, by the way, are now provided by the workshop itself through our own support activites, which really makes us one of the largest single contributors for public television in the country today.

In addition, funding has been provided by both CPB and the Department of Education, along with NSF, for "3-2-1 Contact". Our educational series is designed to make science more appealing and exciting to millions of 8 to 12 year olds. This year, for example, the second season of "3-2-1 Contact", which was some 40 programs, premiered and reached 16 million homes in its first run. With repeat earnings, the cost of "3-2-1 Contact" comes down about 1 penny per per person, per viewing of programs. That's not quite so good as "Sesame Street," which is about one-third of 1 cent, but it is really quite good.

In addition, the educational impact of our programming is augmented by participatory activities with science museums. In many organizations around the country—Girl Scouts, boys clubs, what have you—as well as our own efforts through magazines such as this issue of Sesame Street magazine—which we produce and send out about 1.3 million a month—which are subscribed or bought on the newstands by parents on behalf of their own kids.

Senator PROXMIRE. It is so good to have a magazine that is at my level of understanding.

Mr. BRITT. Well, the numbers are there, sir.

Senator PROXMIRE. That is right.

Mr. BRITT. The workshop is now seeking funding for new programming—a new program series on math. The first season is to be 65 half-hours for 8 to 12 year olds. Our goal is, frankly, to establish a full hour of programming—"3-2-1 Contact" for science and math series, which will, in a sense, match what "Sesame Street" does for preschoolers every day.

The math series will supplement classroom instruction by building excitement in this subject and by providing children with practical problem solving and related math skills which quite frequently get short shrifted in the schools themselves.

To do this job, we need strong and substantial financial support from the Department of Education, probably about $6 million, and from CPB, about $2 to $3 million. We anticipate support from the private sector but we know from our own experience, that the bulk of funding for a new project in educational television must come from the Federal Government.

The Department of Education no longer has any budget specifically earmarked for educational television. We would like to urge this subcommittee to specify such expenditures, as has been the case in the past. DOE efforts in educational broadcasting in television are very important and we think that educational television works; it is widely available to rich and poor alike, and it does a job that no one else is doing on behalf of an audience of kids which, seemingly, not very many people care about.

Thank you.

Senator PROXMIRE. Well, Mr. Britt. Thank you. It is hard to find an area of communication or any other activity that is more dominant in American life than television. I have indications that children spend 4 or 5 hours a day watching television and, whether we like it or not—and some of us don't like it at all—we should do our best to bring the best programming, like "Sesame Street," which has done a magnificent job to our kids. So, you are certainly in a very critical area and I am glad to hear your presentation. Thank you very much.

Mr. BRITT. Thank you, sir. I appreciate your support.

STATEMENT OF WARD CHAMBERLAIN, NATIONAL ASSOCIATION OF PUBLIC TV STATIONS

Senator PROXMIRE. Our next witness is Ward Chamberlain, National Association of Public TV Stations.

Mr. CHAMBERLAIN. Senator, thank you for receiving us today. I am Ward Chamberlain, president of channel 26, WETA, and our FM Station, 91. And I am speaking in support of the appropriation of $238 million for fiscal year 1987 for the Corporation for Public Broadcasting.

If we assume that public broadcasting is important in this country, why it certainly is important to 55 million American households across this country. The television scene is changing today. We have got competition increasing from the networks, from cable television, from direct broadcasting from satellites, and from cassette recorders. Much of this is going to bring us new programming.

The kind of program it is going to bring is going to be more of the same kind of programming we have had in television for the last 20 years, mostly from commercial television which will be mediocre. In public television we think we bring a special kind of programming in public radio and it is very special. It is special in kind and in quality.

One could make many arguments for this appropriation. One I make is that if we don't get increased funding, not only from the Federal Government but from other sources, we are just not going to be able to compete in the newer technology. And public television will be in a situation like a college team playing the Orioles or the Twins. We are not going to be able to produce the same kinds of programs that have made public television an important part of this society.

We need increased funding not only from the Federal Government, as set forth in this appropiration; we need it from private sources, and from corporations, and from the States. And we are going to do our darndest to get those increases so we can continue to serve this public, not only in children's programming—as my predecessor has spoken of—but in all of the areas of programming that we are looking at across the board.

If you look at public television on any given evening—tonight we have an O'Neill play, we have two documentaries about the Holocaust, and lead off with the "McNeal Lehrer News Hour." And it is quite a different line-up than we have in commercial television, or in cable television, or in other kinds of television, that are going to be coming to us. So, if we are going to hold our own and make a greater impact on the American public, we are going to have to increase our funding from all sources to remain competitive. And that, I think, is the principal argument and one I hope your subcommittee, sir, will recognize.

Thank you very much, indeed.

Senator PROXMIRE. Thank you. And thank you for a very concise presentation. I've got a couple of questions, but first, I don't know why you picked the Twins. Probably the University of Wisconsin baseball team could beat the Twins. [Laughter.]

Now, just a couple of hours ago, I put two statements into the Congressional Record.

One was on the "60 Minutes" program that they did on Holland's social service system and how they subsidize everything in sight. As a consequence Holland is in terrible shape. They have a tax level now that is 50 or 60 percent of income and they subsidize everything that you can dream of, including marijuana for teenagers. The system has just gone wild.

Following that I put into the Record a fascinating article on national public radio discussing how a man named Ron Bornstein, whom you may or may not know——

Mr. CHAMBERLAIN. Oh, I know him well.

Senator PROXMIRE [continuing]. Came to Washington and, in the view of many of us, rescued national public radio. He didn't come in for more appropriations, but put public radio on a sound financial basis. A lot of people didn't like it. They called him Attila the Munchkin and the Midwest Kid and all that kind of thing. He did a marvelous job.

Mr. CHAMBERLAIN. Right.

Senator PROXMIRE. And he had to fire 100 people and another 50 people were lost to attrition. But I think that national public radio does a marvelous job. You have got "All Things Considered" and you have got "The Morning Edition"—two terrific programs.

I am concerned that you are now asking for the biggest increase of any group appearing before this subcommittee, by far. You would go from $130 million, your current appropriation, to $238 million. There is no percentage increase anywhere along the line close to that. Some witnesses believe the National Institutes of Health should have a 50-percent increase above current appropriations levels. But you are requesting an enormous increase percentagewise. Even though public broadcasting is, as I pointed out, a terrifically important media—there is nothing more important than TV or radio these days—still, I just wonder if we should go that far.

Mr. CHAMBERLAIN. What we are really asking for is a reinstatement of the levels that we were at 2 years ago and, of course, we are talking now about fiscal year 1987. We are talking about next year. We are talking about our funding in advance. So, that when we look at that figure, Senator, it doesn't seem to me, when you relate it to $178 million a couple of years ago, $238 million in 1987 doesn't seem to me to be really such a lot. I recognize the terrible problems you have got with the budget, and with the deficit, and the whatnot.

Senator PROXMIRE. I think some people deplore public broadcasting but I think you are doing a wonderful job of appealing to the public to make contributions. What percentage of your funding comes from those voluntary contributions?

Mr. CHAMBERLAIN. Overall, in public broadcasting as a whole, about 22 percent.

Senator PROXMIRE. Has that been increasing?

Mr. CHAMBERLAIN. Yes; it has been increasing in my station, which is fairly typical. It is increasing at the rate of about 15 percent a year. At WETA we have now got about 130,000 families in this greater Washington community that contributes to WETA, and, of course, that is the lifeblood of it. Without that, we couldn't do a damn thing.

Senator PROXMIRE. How much does that bring in?

Mr. CHAMBERLAIN. About $5 million from individual families within this area. And across the country that is increasing at about 12 to 15 percent a year. We are going to have to do better in that respect. We are going to have to get corporations and businesses to make greater contributions to us. And, at the same time, that is delicate because we don't want to get in their pocket, as you well know.

So, that, we are not just suggesting the Federal Government increase its share, but we are going to increase the share of everyone across the board to try to keep this thing going.

Senator PROXMIRE. Well, I appreciate that viewpoint, and I certainly want to do all I can to be helpful. I do think that public radio and public television do a marvelous job now, and as I say, we want to continue that quality. Increasing the budget by this amount, though, is going to be a problem.

Mr. CHAMBERLAIN. But, keep in mind, Senator, the $138——

Senator PROXMIRE. I realize it is less than what it was.

STATEMENT OF JAMES R. SNYDER, CHAIRMAN, LEGISLATIVE COMMITTEE, RAILWAY LABOR EXECUTIVES' ASSOCIATION, NATIONAL LEGISLATIVE DIRECTOR FOR THE UNITED TRANSPORTATION UNION

ACCOMPANIED BY ANDREW M. RIPP, CHAIRMAN, RAILWAY LABOR EXECUTIVES' ASSOCIATION COMMITTEE ON THE RAILWAY LABOR ACT, VICE PRESIDENT, INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

Senator PROXMIRE. Our final witness is James R. Snyder.

Mr. Snyder, I want to apologize for delaying you for so long.

Mr. SNYDER. It is a pleasure to be here, Senator, on behalf of railway labor, and we have two subjects here, briefly, in compliance with your request.

Mr. Andrew Ripp, our vice president, will testify on behalf of the Railway Labor Executives' Association on the office space in Chicago, with your permission.

Mr. RIPP. Thank you, Senator. My name is Andrew M. Ripp. I am chairman of the RLEA, Railway Labor Executives' Association, Committee on the Railway Labor Act, and the vice president of the International Brotherhood of Electrical Workers.

I appear before you on behalf of virtually all railroad employees in the United States, and I have a prepared statement which I ask be accepted in the record.

Senator PROXMIRE. Without objection, both will be printed in full in the record.

Mr. RIPP. The members of the RLEA unanimously oppose the attempt by the National Mediation Board and the Office of Management and Budget to destroy the National Railroad Adjustment Board, an agency created by Congress in 1934 to provide justice to railroad employees and to preserve peace in the rail industry of this country.

Last year we came before this committee and its counterpart in the House and told the committee that the National Mediation Board and the Office of Management and Budget were bent on destroying the National Railroad Adjustment Board by refusing to provide office space for the board members who are appointed by labor and management and are the permanent members of the Board.

In your report you stated that you were providing sufficient funds for "space rental * * * costs" and on the subject of reduction of rental space the House committee noted only its reduction of "space rental payments in Washington by $120,000."

But the Mediation Board and the Office of Management and Budget have not been intimidated by Congress, as indicated in the letter attached to my prepared statement. They have now closed the board members' offices and the matter is in the courts.

Unlike other workers in this country, rail labor cannot strike over local grievances. It gave up this right in 1934 in return for the creation of a full-time Government-maintained compulsory arbitration board to decide such grievances.

Now, the National Mediation Board and the Office of Management and Budget would have no board at all by depriving the board members of their office space. Without a functioning adjustment board, there can be no supplemental special boards; without functioning boards of adjustment rail labor would again have the right to strike over each and every grievance that is left unresolved. At the present time there are 16,000 such grievances pending.

We respectfully submit this OMB and National Mediation Board arrogation of congressional power is ill-conceived, ill-considered, ill-advised, and illegal. It should be rejected by this committee and the Congress.

You appropriated sufficient funds last year to keep the Board and the special boards in operation year-round and to provide suitable office space for the board members. However, the National Mediation Board will not use those funds for the payment of rent for the board members' offices.

We respectfully urge this comittee to state clearly its intent to appropriate funds for the purpose, among others, of providing suitable office space for members of the Board. It is that or face certain chaos in the railroad industry.

Senator PROXMIRE. How much money is involved here?

Mr. RIPP. About $120,000. And these boards have been in existence for 50 years, and the office space has been provided for 50 years.

We have met with the Mediation Board on the question of money. We thought we had a resolution. The Board came back and stated that regardless of the amount of money we could save by changes in the operation of the Board, the OMB would not permit the continuation of office space.

So it is a direct violation of the Railway Labor Act. And when, as we said before, we appeared before this committee and we felt that the money was allocated, but the OMB under no circumstances will use that money to continue the operation of the Board.

Senator PROXMIRE. You make a very powerful case, and we will be glad to do all we can to be helpful.

Mr. SNYDER. Thank you, Senator Proxmire.

I am Jim Snyder, chairman of the RLEA Committee on Legislation and national legislative director for the United Transportation Union. I appear in place of Ole M. Berge, chairman of the RLEA Committee on Railroad Retirement, who is unable to be present today.

As you know, it is our privilege to represent 400,000 active railroad employees and 1 million retirees and beneficiaries under railroad retirement.

As you know, because of inflation and a loss of 25 percent of the railroad industry's work force between July 1980 and January 1982, the railroad retirement system at this time last year was faced with extinction.

However, the industry, both management and labor, including 1 million retiree beneficiaries and the Congress, removed that threat with the enactment of the Railroad Retirement Solvency Act of 1983.

Yet much of that enormous expenditure of energy and sacrifice, which labor and management contributed to this effort and the tremendous expenditure of energy and time by the Congress, will be rendered futile if the OMB's proposed arbitrary cutbacks in railroad retirement personnel is permitted.

OMB has offered no justification for its proposal and none exists, and the Federal Government will save not 1 cent by removal of these positions. The industry—management and labor—pays for the Board, including its personnel. The taxpayer pays nothing.

The OMB recommendations would strip some 80 employees from the Board's staff at a time when the Congress, through the 1983 Solvency Act, has placed additional administrative burdens on the Board.

Section 224 of that act imposes new taxes on our retirees on certain of the benefits provided under its provisions. Those taxing provisions are required to be administered by the Board and its employees. That work must be done.

Therefore, if OMB succeeds in its objective of removing 80 employees from the Board's payroll, services to retired employees—really paid for by railroad employees and management—must be cut. That would not only be unjust, it would be irrational.

Today some 1,578 employees are employed by the Board. We are informed that the Board can continue its same services and its new responsibilities without increasing its personnel by making curtailments in other areas, but it must continue to employ 1,578 persons if its services to retired and unemployed railroad workers are not to deteriorate.

We respectfully urge you and your committee to appropriate the $74.4 million in funds necessary to keep the employee force and the services of the Board to retired and unemployed railroad workers at their present level.

Thank you.

Senator PROXMIRE. Thank you, Mr. Snyder, very much. I thank both of you, and I think you make a strong case. We will be happy to do all we can to help, particularly in view of the fact that in one instance the cost is less than $120,000.

Mr. SNYDER. And it worked so well for 50 years.

Senator PROXMIRE. Absolutely.

Mr. RIPP. May I take the liberty to suggest the bottom line, in our opinion?

We have some language that we are suggesting for the House and the Senate to consider, and it is the language which is as follows:

> This bill includes sufficient amounts to provide for the rental of suitable office space in Chicago, IL, for each permanent member of the National Railroad Adjustment Board. The committee is concerned that the National Board has departed from 50 years of continuous practice in accordance with our obligations under the Railway Labor Act and is now refusing to utilize funds provided for that purpose.

PREPARED STATEMENTS

Senator PROXMIRE. Be happy to. I will recommend that to the chairman, and I am sure he will be happy to take that under consideration. Your statement will be included in the record at this point, along with other statements submitted for the record on appropriations for related agencies.

[The statements follow:]

STATEMENT OF ANDREW M. RIPP

My name is Andrew M. Ripp. I am a Vice President of the International Brotherhood of Electrical Workers and a member of the Railway Labor Executives' Association. I appear before you as Chairman of the Association's Committee on the Railway Labor Act.

The Railway Labor Executives' Association is an unincorporated association with offices in Washington, D.C., whose membership consists of the chief executive officers of all of the standard national and international railway labor unions in the United States. The organizations whose chief executive officers are members of the RLEA are listed below:

American Railway & Airway Supervisors Association, Division of BRAC
American Train Dispatchers Association
Brotherhood of Locomotive Engineers
Brotherhood of Maintenance of Way Employes
Brotherhood of Railroad Signalmen
Brotherhood Railway Carmen of the United States and Canada
Brotherhood of Railway, Airline & Steamship Clerks
Hotel & Restaurant Employees and Bartenders International Union
International Association of Machinists & Aerospace Workers
International Brotherhood of Boilermakers & Blacksmiths
International Brotherhood of Electrical Workers
International Brotherhood of Firemen & Oilers
International Longshoremen's Association
International Organization of Masters, Mates & Pilots of America
National Marine Engineers' Beneficial Association
Railroad Yardmasters of America
Sheet Metal Workers' International Association
Seafarers International Union of North America
Transport Workers Union of America
United Transportation Union

I am here today to present to you the unanimous opposition of the members of the RLEA to the systematic attempts by the National Mediation Board and the Office of Management and Budget to destroy by the budget process an agency created by the Congress in 1934 and responsible for the peaceful resolution of tens of thousands of disputes in the railroad industry over the past 50 years.

Simply by shifting budget numbers from one column to another, and thereby withholding funds for the payment of rent for offices for board members, the NMB and OMB seek to modify substantially Railway Labor Act processes that have worked well for half a century. NMB and OMB would cause the elimination of the very existence of the National Railroad Adjustment Board. Attached to this statement is a letter from Rowland K. Quinn, Jr., Executive Secretary of the National Mediation Board, informing the partisan members of the Board that as of March 20, 1984, they will no longer be provided office space. Because the provision for office space amounts to something in the neighborhood of $120,000 per year it is obvious that the purpose of OMB is simply to destroy the National Railroad Adjustment Board. Without the partisan members of the Board - the "railroad union and carrier representatives" - there is no National Railroad Adjustment Board because they constitute the Board both in fact and in law. The staff of the Board cannot function as the Board itself. Without the NRAB there can be no Public Law Boards or Special Boards of Adjustment since they are specifically designated by statute as supplements to the NRAB.

The advocates of the NMB/OMB objectives seem ignorant of the requirements of the Railway Labor Act with regard to the continuing operation of the NRAB. Section 3 First(s) of the Act reads as follows:

> "The several divisions of the Adjustment Board shall maintain headquarters in Chicago, Illinois, meet regularly, and continue in session so long as there is pending before the division any matter within its jurisdiction which has been submitted for its consideration and which has not been disposed of." (Emphasis supplied.)

Section 3, First (t) of the Act reads:

> "Whenever practicable, the several divisions or subdivisions of the Adjustment Board shall be supplied with suitable quarters in any Federal building located at its place of meeting."

On October 4, 1976 the General Counsel of the Mediation Board in a legal opinion on this matter, stated:

> "These two provisions of the Act, taken together, clearly contemplate that so long as any business is pending before the NRAB the United States Government shall provide suitable quarters in the City of Chicago, Illinois, for the headquarters of the NRAB." (Emphasis supplied.)

There are now over 2000 cases pending before the Board and some 14,000 cases pending before Special Boards and Public Law Boards.

Last year the NMB/OMB attempted to circumvent the requirements of the law by having the Congress cut the Board's appropriation to the point where it would have been incapable of executing its statutory duties. The Congress refused to cooperate with such a plan and appropriated enough money to provide the space required by the Railway Labor Act for partisan members. Although differing somewhat as to the amounts required, this Committee and the House Committee each provided sufficient funds for "space rental . . . costs" and on the subject of the reduction of rental space, the House Committee noted only its reduction of "space rental payments in Washington by $120,000." (Emphasis supplied.) Certainly, had the Committees wished to reduce the Chicago rent instead of guaranteeing continuation of rental space for the members of the Board in Chicago, they would have said so.

But NMB and OMB have not been deterred. As indicated in the attached letter, the offices for partisan members have been closed and the matter is now pending in the courts.

The Board is maintained on about a 50-50 basis by the federal government and the industry. The members of the Adjustment Board and the members of the Special Boards - other than neutrals - are paid by the industry parties they represent. The cost to the industry - labor and management - of this statutory obligation is about $2 million per year and is about equal to the federal cost of maintaining the Board.

The NMB and OMB seem quite clearly ignorant of the origins of that which they seek to destroy. The Railway Labor Act was designed to insure labor peace to the fullest extent compatible with the rights of management and employees in the rail industry. The continued operation of the railroads in the United States was, and remains, so uniquely essential to the welfare of this nation that the few times we have been faced with a nationwide railroad strike the Congress has intervened with the swift enactment of a law to prevent it.

The law permits employees in other industries to strike over grievances or violations of their contracts or upon the expiration of their contracts; employees in the rail industry cannot do so. They must submit such disputes to a standing arbitration board - the N.R.A.B.

The railroads were generally satisfied with the operation of the 1926 Act, hence it was difficult to secure from them agreement to submit to Congress a joint proposal of amendment to that Act. Eventually agreement was reached and, in addition to provisions prohibiting a carrier's interference with an employee's organizing rights, there was agreement to the establishment of a national adjustment board (as distinguished from system or regional boards) to be known as the National Railroad Adjustment Board. To secure that objective the railway unions were compelled to concede their right to strike over "minor" disputes, that is, grievances and contract violations. And, when in 1957 a union took the position that the Act gave it discretion to go to the Board or to strike over its grievance, the Supreme Court held otherwise and emphatically based its decision upon its conviction, clearly demonstrated in the legislative history of the 1934 Act, that labor had traded its right to strike over "minor" disputes for a standing arbitration board created and maintained by the federal government. In Brotherhood of Railroad Trainmen v. Chicago River and Indiana Railroad Company, 353 U.S. 30 at 37 (1957) Chief Justice Warren, speaking for a unanimous Court said:

> The change was made with the full concurrence of the national railway labor organizations. Commissioner Joseph B.

> Eastman, Federal Coordinator of Transportation and principal draftsman of the 1934 bill, complimented the unions on conceding the right to strike over "minor disputes" in favor of the procedures of the Adjustment Board. (Emphasis supplied.)

Recognition of this concession of the right to strike as the quid pro quo for a federally financed compulsory arbitration board is repeated throughout the two succeeding pages of the Supreme Court's opinion in the Chicago River case.

The Congress has made a number of significant changes in the Railway Labor Act since the NRAB was created and began functioning in 1934. At no time has the Congress indicated that the provision of office space by the federal government for Board members was not completely in keeping with the Congress' 1934 plan and desire. In short, the Congress has confirmed this practice which has existed since 1934, a full half century.

The entire scheme of the Railway Labor Act is very different from that of the Labor Management Relations Act because one of the former acts major purposes was, and is, to reduce the occasion for strikes in the railroad industry to an absolute minimum. It has been praised by legislators, the courts and legal scholars alike for the manner in which it has accomplished that objective - an objective which NMB/OMB would now destroy.

If NMB/OMB achieve their goal, the basis for the Supreme Court's decision in the Chicago River case will have been removed. There will be in law no compulsory arbitration requirement on management or labor in the railroad industry because there will be no place where the parties must submit their grievances to be arbitrated. Since the Chicago River decision held that rail unions cannot strike because of the existence of an arbitration board to which they must submit their "minor" disputes, it would seem quite clear that absent the existence of such a board, the rail unions will be able to strike over such disputes just as unions in other industries. NMB/OMB goal, if achieved, will plunge rail transport into chaos; and, for what?

A total appropriation of $2,720,000 is necessary to enable the Board (together with the Special Boards) to carry out its statutory functions and the objectives of labor peace so carefully designed into the Railway Labor Act. We urgently request that appropriation be made to permit the Board to do the job it was created to do and to eliminate the harrassment and eventual destruction of the Board by the Mediation Board and the OMB.

Last year sufficient funds were appropriated by the Congress to keep the Board and the Special Boards in operation year round and to provide suitable office space for the Board members, however, the NMB will not to use those funds for the payment of rent for Board members' offices. The RLEA respectfully urges this Committee to state clearly its intent to appropriate funds for the purpose, among others, of providing suitable office space for the members of the Board.

Thank you.

February 23, 1984

Mr. Fred A. Hardin, Chairman
Railway Labor Executives' Association
400 First Street, NW, Room 804
Washington, DC 20001

Mr. Charles I. Hopkins, Chairman
National Railway Labor Conference
1901 L Street, NW, Suite 500
Washington, DC 20036

Gentlemen:

Questions have arisen as to the date the 9,000 square feet of office space occupied by the partisan members of the National Railroad Adjustment Board at 10 West Jackson Blvd, Chicago, IL, must be relinquished to GSA. This will confirm previous advice from Chairman Wallace that the space must be vacated by close of business March 20, 1984. Therefore, we are advising that those affected must make the necessary arrangements to vacate their space on or before that date.

The federal employees will be moved as soon as the space at 175 West Jackson Blvd is available for occupancy. In the interim the conference rooms at 10 West Jackson will continue to be available for the Board Members to use in the conduct of NRAB business.

It is important that the 9,000 square feet be relinquished no later than March 20, since GSA will control that space from that date.

If there are any questions, please call Mr. Carvatta on 312-886-7300.

Sincerely,

Rowland K. Quinn, Jr.
Executive Secretary

Statement of Ole M. Berge, President, Brotherhood of Maintenance of Way Employes and Chairman, Committee on Railroad Retirement, Railway Labor Executives' Association

My name is Ole M. Berge. I am President of the Brotherhood of Maintenance of Way Employes and Chairman of the Committee on Railroad Retirement of the Railway Labor Executives' Association or RLEA.

The Railway Labor Executives' Association is an unincorporated association with which are affiliated the chief executive officers of all of the standard national and international railway labor unions in the United States. The organizations whose chief executive officers are members of the RLEA are listed below:

American Railway & Airway Supervisors Association, Division of BRAC
American Train Dispatchers Association
Brotherhood of Locomotive Engineers
Brotherhood of Maintenance of Way Employes
Brotherhood of Railroad Signalmen
Brotherhood Railway Carmen of the United States and Canada
Brotherhood of Railway, Airline & Steamship Clerks
Hotel & Restaurant Employees and Bartenders International Union
International Association of Machinists & Aerospace Workers
International Brotherhood of Boilermakers & Blacksmiths
International Brotherhood of Electrical Workers
International Brotherhood of Firemen & Oilers
International Longshoremen's Association
International Organization of Masters, Mates & Pilots of America
National Marine Engineers' Beneficial Association
Railroad Yardmasters of America
Sheet Metal Workers' International Association
Seafarers International Union of North America
Transport Workers Union of America
United Transportation Union

This nation's Railroad Retirement System antedated its Social Security System. In fact, the original Social Security Act based its tax benefit separation scheme on that developed in the 1935 Railroad Retirement Act. There are today some 1,000,000 persons receiving benefits under the Act, many of whom devoted their working lives to the railroad industry in large part because of the existence of the Retirement Act. Everyone of the persons actively employed in the industry today began his or her railroad career protected by the provisions of that Act.

A federal retirement act became necessary in 1934 for many reasons: The pension system of the railroad industry was ineffective and chaotic; the vast interconnected interstate operations of the very many railroads servicing the 48 states in 1934 made necessary a single uniform pension system fair to all railroad employees. Unlike the Canadian railroad retirement system which is privately maintained by the only two railroads in that country, the American railroad retirement system in 1934 consisted of separate retirement plans with a number of different unions on each of very many railroads then operating in the United States. Employees who left the service of one carrier for employment with another lost their pension credits; the qualification requirements were so high that few, if any, employees ever saw a pension check (an analysis of railroad pension benefits for the years 1925 to 1928 showed that only 17% of employees in the railroad industry would ever receive a pension - ranging from a low of about 8% for maintenance employees to about 30% for train and engine service employees); the amounts of the pensions were much too small (25% were less than $30 per month; the average was $54 per month; 2.6% exceeded $100 per month); and they were reduced beginning in 1932 by amounts ranging from 10% to 40%.

This Congress and the Supreme Court of the United States have recognized that the efficiency and effectiveness of our vital rail transportation system suffers through loss of employee morale when the demands of justice are ignored. The Congress realized the validity of that principle in 1934 and enacted the Railroad Retirement Act of 1934, which, after failing the test of constitutionality, was re-enacted in 1935 and has been an integral and very significant part of every railroad employee's life since that time.

Problems which had arisen over the years in the Railroad Retirement System were virtually all corrected by the 1981 amendments to the Railroad Retirement Act. Inflation and an almost immediate loss of 25% of the industry's workforce through job reductions destroyed the effect of the 1981 amendments and precipitated an even more severe crisis which threatened the very existence of the Railroad Retirement System.

But the industry - management and labor, active and retired - and the Congress removed that threat with the enactment of the Railroad Retirement Solvency Act of 1983. Yet, despite the enormous expenditure of energy and sacrifice which labor and management contributed to the revivification of the Railroad Retirement System, much of it will have been expended futilely if the manpower requirements of the Retirement Board are ignored in arbitrary cutbacks in personnel for which no justification has been offered and none exists; and, by which the Federal Government will save not one cent.

The industry - management and labor - pays for the Board, including its personnel; the taxpayer pays nothing. The OMB may have a technical right to recommend cuts in personnel of the Board because of the technical inclusion in the Budget of the Board's administrative costs; however, its recommendations should not be given the weight here that they are given with regard to other matters where OMB is not dealing with what are essentially private funds being used for a public purpose.

The OMB recommendations would strip some 80 employees from the Board's staff at a time when the Congress through the 1983 Act has placed additional administrative burdens on the Board.

Section 224 of that Act imposes new taxes on certain of the benefits provided under its provisions. Those taxing provisions are required to be administered by the Board and its employees. That work must be done. Therefore, if OMB succeeds in its objective of removing 80 employees from the Board's payroll, services to retired employees - really paid for by railroad employees and management - must be cut. That would not only be unjust; it would be irrational.

Today some 1578 people are employed by the Board. We are informed that the Board can continue its same services and its new responsibilities without increasing its personnel by curtailments in other areas but, it must continue to employ 1578 persons if its services to retired and unemployed railroad workers are not to deteriorate.

We urge you and your Committee to appropriate the $74.4 million in funds necessary to keep the employee force and the services of the Board to retired and unemployed rail workers at their present level.

Thank you.

STATEMENT OF DOUGLAS J. BENNET, PRESIDENT, NATIONAL PUBLIC RADIO

On behalf of National Public Radio and its 288 member stations, I appreciate the opportunity to contribute to the record your Subcommittee is establishing on public broadcasting's funding requests through 1987.

Let me say at the outset that your steadfast support and encouragement of public broadcasting gives us hope, and your contribution to our system is deeply appreciated. As you know, I have been on the job just about five months, and I look forward to a good relationship with this Subcommittee.

Ten months ago, NPR announced a deficit projected at almost a third of its annual budget. NPR's member stations, its staff, its supporters on Capitol Hill and in foundations and corporations, and millions of Americans who depend on public radio were surprised, and shocked.

Ten months later, we have a balanced budget for FY 1984. We have a complete and reliable system of financial controls in place. We have the information we need to develop a practical plan for repaying the debt incurred last year. Having our financial house in order, we feel confident that NPR can maintain current services through fiscal year 1984 with the balanced budget we have in place.

This is, nonetheless, a year of fundamental choices in public radio -- choice which will determine, beginning in fiscal year 1985 and beyond, whether this national asset grows or declines. The federal dollars you are considering today are not very large compared with other expenditures we make as a nation, but they say a great deal about what we value in American culture.

As things stand now, the public broadcasting appropriation for fiscal year 1984 through fiscal year 1986 will be level at $130 million, of which radio will receive $29.5 million. Inflation, plus an increasing number of stations, will mean that the slices of the pie are smaller and smaller. The shrinkage will be even more dramatic if the Administration's rescission of $20 million for FY 1986 is successful. And, in FY 1987, the Administration has proposed that public broadcasting be reduced again to a level of $100 million. This rescission could result in an abrupt elimination of national programming, and decline of local programming capacity in all but a few very strong public radio stations. Public radio as a community service would become a fond remembrance.

We are requesting a total supplemental of $70 million over the next three years. This represents an increase over the $130 million now appropriated of $15 million for FY 1984, $23 million in FY 1985 and $32 million in FY 1986. This would mean an increase in funding for the public radio system of $3.75 million, $5.175 million and $7.2 million for fiscal years 1984-1986 respectively.

The reductions in federal support since 1981 have already meant a real reduction of service to local communities by the public radio stations. Community Service Grants, the unrestricted grants which go directly to stations, have been reduced by 14% while the number of public radio stations eligible for a share of this money has increased an average of 15 stations per year. These grants are allocated by the Corporation for Public Broadcasting according to a formula which is designed to reward local funding raising efforts. The Community Service Grant typically amounts to 15% of a station's budget, with the remainder coming from local sources. This is not a bad multiplier. In fiscal year 1981, the average Community Service Grant awarded was roughly $75,000. In fiscal year 1982, this amount declined to $71,000 and dropped to $60,000 in 1983. In fiscal year 1984, the average remained at roughly $60,000, only because NPR reduced it's share of the federal pool and increased the stations' share in order to help offset the effects of previous cuts.

The supplemental, while not restoring the Community Service Grant to its previous levels, will, nonetheless, provide a critical increase necessary for a station to maintain its current level of activity. Without the supplemental, the only way to maintain the current CSG level would be through unusually rapid growth, on the order of a 25% increase in non-federal funding. Even large-market stations find such growth to be virtually impossible.

Public radio stations have tried to answer the challenge to seek private sources of funding. They have increased non-CPB funding by an average of 16%. But this is not the entire answer. Listener support is often given for specific programs, as are grants from foundations and corporations. Federal Community Service Grant money is unrestricted money and can be used for general programming purposes. Therefore the programs produced with federal dollars are the principle reason for public radio's ability to raise non-federal dollars.

With the reduction in federal support for public broadcasting in 1981, NPR stations were forced to do less local programming and had fewer dollars available for purchasing programming from outside sources. Reduced budgets have meant fewer part-time employees requiring full-time employees to do longer board shifts and allowing less time for production work. Coverage of town meetings, cultural events, speeches by prominent community members, and coverage of other local news suffered.

Fewer part-time people means fewer students employed. Frequently, when a station reduces its work force it means students loose their jobs. WKYU in Bowling Green, Kentucky, employed 17 students in 1980 on a part-time basis. The station now has only four students. Many times this part-time employment enables a student to remain in college by giving him or her a steady source of income, as well as professional skills.

NPR station WUOM-FM in Ann Arbor, Michigan, has perhaps the most dramatic story. Federal reductions in Community Service Grant's came hand in hand with local cuts, and resulted in the station taking a 35% reduction in its budget in one year. The bottom line at WUOM became staying on the air for the number of hours required of a CPB qualified station.

The station had to let all part-time employees go, which is the full-time equivalent of about eleven positions. On top of all this, the station manager was recently informed that the manufacturer of some of their equipment is not stocking replacement parts any longer because the equipment is so out of date.

The good news is that WUOM-FM provides a large audience with such quality programming that both the University of Michigan and the listeners in Ann Arbor have generously responded to the station's fundraising efforts and have consistently given enough to keep the operation afloat.

Reduced funding also means equipment frequently is not replaced or repaired. Essential equipment at many stations is already beyond its projected useful life. With the reduction of federal funds available for facilities, stations have had to forego the replacement of old, outdated, or non-working equipment as this capital cost usually comes out of its ever declining Community Service Grant money. This also has the effect of forcing deeper cuts in programming because money diverted from the Community Service Grant allocation to purchase needed equipment reduces the amount available for purchasing or producing programs. This is to say nothing of the state-of-the-art equipment now available but completely out of the financial reach of most public radio stations.

Public broadcasting is at bedrock now. We have reduced until there is nowhere left to trim. This is true of our stations, and it is true of National Public Radio. To reduce our appropriation for public radio at this time, would be to kill much of it.

Mr. Chairman and members of the Subcommittee, I cannot overstate the importance of the supplemental request to the public radio stations and their membership organization, National Public Radio. NPR has stripped its activities to a very basic public affairs and performance service. Our 1984 budget is balanced, and NPR's budget planning for fiscal year 1985 has begun. While the NPR Board has as yet not made any final decisions, it is abundantly evident already that without the supplemental funds, programs such as ALL THINGS CONSIDERED and MORNING EDITION could be severely curtailed in 1985. The 1984 budget has been cut to the bone. My candid view is that our public affairs productions, on which the credibility of NPR relies, are stretched to the breaking point.

Moreover, we need a balance of performance as well as news and information programming to encourage foundations and corporations to support public radio. There are no further cuts to be made in the performance area. Further cuts mean elimination, which would mean the elimination of our ability to seek foundation funding for performance. Unless NPR can increase its funding by the additional dollars the supplemental would provide, there will be a real question regarding NPR's ability to continue providing service of any real value to the local public radio stations.

For the fiscal year 1987, the public broadcasting community is requesting an authorization and appropriation of $238 million. If this amount were to be appropriated, $53.55 million would go to radio, to be divided between local public radio stations and national programming of the kind provided by National Public Radio.

There are now 269 public radio stations qualified to receive federal funds through CPB. Experience suggests that this number will increase by about 10 stations annually through 1989. The average total budget of these stations is now roughly $433,999, primarily consisting of state, local and listener support. The average federal contribution in FY 1984 is $60,000 per station and ranges from $9,459 to $443,111.

Funding at the $238 level would increase the average federal contribution by about $50,000 in real terms, allowing for inflation at 5.6%. The share going to national programming and to National Public Radio in particular would depend on the needs of the system at that time.

The public radio community is fully aware of the budget pressures faced by your Committee. Although the amounts we request are comparatively small, we nonetheless understand that they draw on very limited resources. We believe, however, that public radio is a valuable and respected institution which has potential for dramatically enhancing American public information and culture. It has widespread support among informed constituencies and taxpayers throughout the country. It is earning six or seven dollars in local and listener support for every dollar of federal support.

We appreciate the past support of your Subcommittee and hope that you will be able to provide these additional funds requested in the supplemental.

CONCLUSION OF HEARINGS

Senator PROXMIRE. This will complete the hearings on the fiscal year 1985 appropriations bill for the Labor-HHS Subcommittee. The subcommittee will stand in recess.

[Whereupon, at 12:45 p.m., Tuesday, May 1, the hearings were concluded, and the subcommittee was recessed, to reconvene at the call of the Chair.]

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